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# ***Daily Report***

# **China**

**FBIS-CHI-89-231  
Monday  
4 December 1989**

# Daily Report

## China

FBIS-CHI-89-231

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4 December 1989

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

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## General

### Tian Jiyun, Li Guixian Meet Foreign Bankers

OW0112155589 Beijing XINHUA in English  
1446 GMT 1 Dec 89

[Text] Beijing, December 1 (XINHUA)—Tian Jiyun, Chinese vice-premier, and Li Guixian, state councillor and governor of the People's Bank of China, met about 40 executives from 14 overseas banks here tonight.

On behalf of the Chinese Government, Tian extended a warm welcome to the visitors, who are chairmen, general managers, managing directors or senior staff of banks from Italy, France, the Netherlands, Hong Kong and other countries and regions.

Tian told the bankers that China's further reform and opening to the outside world and the growth of Sino-foreign economic and trade relations necessitate Sino-foreign financial cooperation, and China is willing to work together with foreign bankers for future cooperation.

Li Guixian briefed the visitors on China's banking situation and answered their questions.

### He Kang Delegation Attends Rome FAO Meeting

OW3011080989 Beijing XINHUA in English  
0713 GMT 30 Nov 89

[Text] Rome, November 29 (XINHUA)—Food and Agricultural Organization of the United Nations (FAO) ended its 25th assembly today here calling on world leaders to address the increasing food shortages.

The meeting, which opened November 11 with 115 minister-level delegations present, estimated the world's total grain output will only reach 1.86 billion metric tons this year, falling short of the world's need.

The world grain storage, following a reduction for three years running, has lowered to 16 percent of the world year-consumption, the FAO said, lower than the 17 to 18 percent FAO safety line.

The FAO also cleared its budget of 568.8 million U.S. dollars and developed programs for the next two years.

It named Antoine Saintraint of Belgium as chairman of the next council.

The Chinese delegation led by minister of Agriculture, He Kang, participated the meeting.

### Communications Minister at Maritime Meeting

OW0312115089 Shanghai City Service in Mandarin  
2300 GMT 28 Nov 89

[From the "Morning News" program]

[Text] The Fifth International Maritime Conference opened at the Shanghai Exhibition Center yesterday.

This relatively large international meeting will focus on academic and technical matters.

Mayor Zhu Rongju delivered the welcoming address at the meeting.

Communications Minister Qian Yongchang, Shanghai Vice Mayors Liu Zhenyuan and Ni Tianzeng, and leaders of relevant departments attended the opening ceremony.

Nearly 1,000 representatives of domestic and foreign shipbuilding, maritime, and financial circles are participating in the conference, which is cosponsored by the China State Shipbuilding Corporation and the China Shipbuilding Society.

The primary purpose of the conference is to foster discussions on technological and academic matters concerning international maritime affairs. The meeting, at which there will be displays, also will serve as the venue for trade talks.

Qian Yongchang, minister of communications; Zhang Shou, president of the China State Shipbuilding Corporation; and Ni Tianzeng, vice mayor of Shanghai, gave speeches at the meeting yesterday afternoon on the shipping industry in China and the world during the 1990's, the development of the shipbuilding industry, and Shanghai's economic development and shipping services. Mr. Hans, a well-known figure in international maritime circles, and others gave special reports at the meeting.

Over 900 exhibits provided by 60 units are on display at the exhibition's China Pavilion.

## United States & Canada

### NPC's Wang Hanbin Meets Carnegie Foundation Group

OW0412110889 Beijing XINHUA in English  
1037 GMT 4 Dec 89

[Text] Beijing, December 4 (XINHUA)—Wang Hanbin, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with a delegation from the United States Carnegie Foundation for the Advancement of Teaching led by its President Ernest L. Boyer, here this afternoon.

The delegation arrived here on November 26 at the invitation of China's State Education Commission.

### New Population Journal Published in U.S.

OW0212050289 Beijing XINHUA in English  
1220 GMT 1 Dec 89

[Text] Beijing, December 1 (XINHUA)—The first issue of the English edition of the "CHINA POPULATION SCIENCE," a major academic publication in Chinese, has recently been published by the Allerton Press in the United States.

The bi-monthly, published by the Institute of Population Science of the Chinese Academy of Social Sciences, carries academic papers of researchers in the fields of population economics, population sociology and population statistics.

Under an agreement, the Allerton Press Inc. will publish the journal's English edition quarterly for the next seven years.

As China has the largest population in the world, experts in the field hope that the English edition of the journal will render help to developing countries in their population control and economic development.

#### Army Paper Commentary Examines 'Showcase'

HK0412092889 Beijing JIEFANGJUN BAO  
in Chinese 16 Nov 89 p 4

["Weekly Commentary" by Zhuang Hanlong (8369 3352 7127): "Please Look at This 'Showcase'"]

[Text] What kind of country is the United States? The power holders in the United States said: "The United States is a great example for the world." Westerners said: "The United States is a showcase of the capitalist world." In the eyes of many people in less developed countries, it is "an extremely affluent land on which milk and honey flow everywhere."

Then, what is the real situation in the United States? We'd better lift its veil and see that country's "charming features."

The United States is known as the most affluent country in the world, but the country is even better known for its huge national debt. A few days ago, the two chambers of U.S. Congress adopted a bill with an overwhelming majority on the national debt. According to the bill, the upper limit of the national debt will be raised from \$2,800 billion at present to \$3,123 billion by 31 October 1990.

What does the national debt of some \$3,000 billion mean? It means that each of the American people will incur a debt of more than \$10,000, and the debt will amount to over one half of the current GNP in the United States. With \$100 notes being piled up, the notes with a total value of \$3,000 billion will be 3.24 million meters tall. The length of all these notes is 32.4 million kilometers. If a car runs at a speed of 40 kilometers an hour, it will have to run for 81 hours.

How many poor people are there in the United States? According to the U.S. official data, in 1978, some 24.5 million American people lived below the poverty line. The number of people in this category increased to 32.5 million in 1988. That is, the proportion of poor people in the population increased from 11.4 percent to 13.5 percent. If these more than 30 million people line up, the line will be 19,200 kilometers long. No wonder Alan Gandhi, the grandson of India's national hero Gandhi,

said with regret after visiting the United States: "The United States still fails to overcome poverty."

Although the U.S. economy has continued to grow for 8 consecutive years, its national debt increased from \$914 billion in 1981 when President Carter's tenure expired to over \$3,000 billion at present, and the poverty problem has also become more and more serious. Why so?

It is not hard to find the answer. In the 8 years of the Reagan administration, the United States expanded armaments on a large scale and reduced taxes by a large margin. This sharply increased the government's financial deficit. In the last few years, the military expenditure of the United States continues to remain at a level above \$300 billion. Undoubtedly, this added a heavy burden to the country's economy. The Reagan administration pursued a policy of reducing taxes and cutting down on social welfare. This was exactly a step for "robbing the poor and relieving the rich" and made the rich richer and the poor poorer. The gap between the rich and the poor was thus greatly widened. Along with this, as is well known to people, the number of criminal cases increases every passing day to a startling degree. In the past year, more than 30,000 were murdered in the United States.

From the the above-mentioned figures, we may know what exists inside the "showcase." Things there are not as beautiful as some people described. There are also many lousy goods. The "example" is not as great as some people bragged about. The extraordinary feature of this country is that rich people can laugh happily but poor people have to taste the bitterness of life.

#### Northeast Asia

##### Liaoning Delegation Visits Japanese Prefecture

SK0312035089 Shenyang Liaoning Provincial Service  
in Mandarin 1030 GMT 1 Dec 89

[Text] At the invitation of Kanagawa Prefecture of Japan, the five-member social welfare delegation of Liaoning Province, which is headed by (Zhang Yongjian), deputy director of the provincial Civil Affairs Department, paid an observation visit to Kanagawa Prefecture in Japan.

During their visit to Japan, the province's delegation concentrated its time on making observation tours among the prefectures of Yokohama, Tochigi, and Kagawa, and viewed the service business of social welfare, such as the consultative centers for handicapped people to take physical therapy and the manufacture of artificial limbs. The delegation also reached preliminary agreement on further carrying out steady social welfare exchanges and cooperation with these Japanese prefectures.

### DPRK Diplomats Work at Asian Games Site

OW0212064589 Beijing XINHUA in English  
0755 GMT 1 Dec 89

[Text] Beijing, December 1 (XINHUA)—The diplomats of the Democratic People's Republic of Korea Embassy here became the first foreign volunteers to join in the work at site of the on-going construction project of a sports complex in the northern suburb of Beijing for the Asian Games set for next autumn.

The 50-strong group, headed by the DPRK Ambassador Chu Chang-chun, helped do the cleaning-up at the track and field stadium in the complex and also visited the Asian Games Village which is also under construction.

At the headquarters for the construction projects, the Asian Games Organizing Committee officials gave a briefing to the Koreans on the construction work.

The Asian Games to be held in Beijing is a pride not only of China but also for Asia, Chu said.

He said the quality and design of the sports facilities are of high standards.

The Asian Games will be held from September 22 to October 5.

### DPRK Vice President Meets Weather Group

OW0312013189 Beijing XINHUA Domestic Service  
in Chinese 0909 GMT 30 Nov 89

[Text] Pyongyang, 30 Nov (XINHUA)—Yi Chong-ok, vice president of the Democratic People's Republic of Korea, this morning met with the Chinese State Meteorological Administration Delegation headed by Zou Jingmeng, director of the administration, and had warm and friendly talks with the Chinese delegation.

Also present at the meeting were Yi Kon-il, director of the Korean State Meteorological Administration, and Chinese Ambassador to Korea Wen Yezhan.

The Chinese State Meteorological Administration Delegation arrived in Pyongyang on 28 November to take part in the Sino-Korean Meteorological Cooperation Conference. The two sides reached an agreement on cooperation between meteorological administrations of the two countries for 1989-1990 after friendly consultations.

### Southeast Asia & Pacific

#### XINHUA Carries Yang Shangkun Message to Aquino

OW0412110289 Beijing XINHUA Domestic Service  
in Chinese 0912 GMT 4 Dec 89

[Text] Beijing, 4 Dec (XINHUA)—In connection with the Philippine Government's quelling of the military rebellion, Yang Shangkun, president of the PRC, on 4 December cabled President Corazon Aquino to express his solicitude. The following is the text of his message:

Manila.

Your Excellency, President Corazon Aquino of the Republic of Philippines:

I have been monitoring closely the latest development in your country. Upon learning that the Philippine Government under your leadership has quelled the military rebellion swiftly, I feel deep satisfaction and wish to express my solicitude to Your Excellency. As a good neighbor of the Philippines, we wholeheartedly hope that the situation in the Philippines will return to normal quickly under Your Excellency's leadership.

Yang Shangkun, president of the People's Republic of China

4 December 1989

#### Spokesman Comments On Philippine Coup Attempt

HK0212030689 Beijing XINHUA in English  
0255 GMT 2 Dec 89

["Spokesman: China Concerned Over Event in the Philippines"—XINHUA headline]

[Text] Beijing, December 2 (XINHUA)—China is deeply concerned over the events occurring in the Philippines, a Chinese foreign ministry spokesman said here today.

In response to a question on the military coup taken place in the Philippines in the small hours of December 1, the spokesman said China hopes the situation in the Philippines will, under the leadership of President Corazon Aquino, return to normal as soon as possible.

#### Foreign Ministry Delegation To Visit Indonesia

OW0212055289 Beijing XINHUA in English  
0243 GMT 2 Dec 89

[Text] Beijing, December 2 (XINHUA)—A Chinese delegation led by Assistant Foreign Minister Xu Dunxin, who is also head of the Asia Department of the Foreign Ministry, will leave for Jakarta tomorrow for consultations on technical issues in normalizing the relations between China and Indonesia, as decided by foreign ministers of the two countries. Xu's group represents the first official Chinese delegation to Indonesia since the two countries suspended diplomatic ties in October, 1967.

When Chinese Foreign Minister Qian Qichen met Indonesian President Suharto and State Minister Mardiono in Tokyo last February, the two sides reached a three-point agreement on the normalization of relations between the two countries, announced the beginning of the process of normalizing ties between the two countries, and laid down the principles to be followed in bilateral relations.

Following that, the two countries' foreign ministers and representatives to the United Nations exchanged views on many occasions.



As the principles for normalizing relations have been defined, the coming negotiations are expected mainly to solve some technical issues concerning the normalization of diplomatic ties, XINHUA has learned.

#### **National Day Greetings to Lao Party, Leaders**

*BK0312074189 Beijing International Service  
in Lao 1230 GMT 1 Dec 89*

[Text] Jiang Zemin, general secretary of the CCP Central Committee; Yang Shangkun, president of China; Li Peng, premier of China, and Wan Li, chairman of the NPC Standing Committee, today jointly signed a telegram to Lao party and state leaders extending their wholehearted greetings on the occasion of the 14th founding anniversary of the Lao People's Democratic Republic [LPDR]. The text of the telegram is as follows:

Vientiane,

To: Comrade Kaysone Phomvihane, general secretary of the Lao People's Revolutionary Party [LPRP] and chairman of the Council of Ministers of the LPDR; Comrade Phoumi Vongvichit, acting president of the LPDR; Comrade Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA] of the LPDR,

On occasion of the 14th founding anniversary of the LPDR, on behalf of the Chinese Communist Party Central Committee, the Chinese Government, and the National People's Congress Standing Committee, the Chinese People, and in our own names, we extended wholehearted greetings and best wishes to you and, through you, to the LPRP Central Committee, the Council of Ministers, and the SPA of the LPDR, and to the fraternal Lao people.

During the past decade and more, under the leadership of the LPRP, the Lao people have overcome numerous difficulties and scored outstanding achievements in carrying out the task of socialist construction. The Chinese party, government, and people extend heartfelt greetings and sincerely wish the Lao people new and greater achievements in their tasks of economic construction and effecting new changes.

China and Laos are neighboring countries linked by mountains and rivers. The peoples of the two countries have a tradition of friendship from ancient times. We are elated to note that relations between our two parties and countries in the past over year have greatly improved. In particularly, the recent successful visit to China by Comrade Kaysone Phomvihane is a milestone testifying that relations between the two parties and countries have been comprehensively revived. We sincerely hope that the good neighborly relations between China and Laos will be constantly improved and expanded on the basis of the five principles of peaceful coexistence which will not only conform with the common interests of the Chinese and Lao peoples but also benefit peace and stability in this region.

On this occasion, we wish the LPDR prosperity and strength and the Lao people well-being.

Beijing, 1 December 1989

[Signed] Jiang Zemin, general secretary of the CCP Central Committee,

Yang Shangkun, president of the PRC,

Li Peng, premier of the PRC Government,

Wan Li, chairman of the NPC Standing Committee.

#### **Beijing Banquet Marks Lao Anniversary**

*OW0212155389 Beijing XINHUA in English  
1430 GMT 2 Dec 89*

[Text] Beijing, December 2 (XINHUA)—The Chinese People's Association for Friendship With Foreign Countries gave a banquet here tonight to mark the 14th anniversary of the founding of the Lao People's Democratic Republic.

Lao diplomatic personnel to China attended the banquet.

#### **Yunnan Governor Meets Burmese Premier**

*OW0212122389 Beijing XINHUA Domestic Service  
in Chinese 0114 GMT 1 Dec 89*

[Text] Rangoon, 30 Nov (XINHUA)—On 30 November, Burmese Premier Saw Maung received a Yunnan provincial delegation headed by Governor He Zhiqiang.

Premier Sau Maung held cordial and friendly talks with Governor He Zhiqiang, and the two sides exchanged opinions on friendly contacts and economic and technological cooperation between Burma and Yunnan Province.

Taking part in the meeting were officials of the Burmese State Committee for the Establishment of Law and Order, the minister for planning and finance, and Chinese Ambassador to Burma Cheng Ruisheng.

#### **Near East & South Asia**

##### **Li Peng Congratulates New Indian Prime Minister**

*OW0412060689 Beijing XINHUA in English  
0239 GMT 4 Dec 89*

[Text] Beijing, December 4 (XINHUA)—Li Peng, premier of the People's Republic of China, has sent a message to new Indian prime minister, Vishwanath Pratap Singh, extending his congratulations and best wishes on behalf of the Chinese Government and people.

"We sincerely hope that the good-neighbourly relations between our two countries will improve and develop further on the basis of the Five Principles of Peaceful Coexistence," Li said in the message dated December 2.

"There exists a profound traditional friendship between the two peoples of China and India," Li said.

Singh was sworn in as prime minister on December 2.

### **CPPCC Delegation Continues Near East Tour**

#### **Ends Yemen Visit**

OW0312114789 Beijing XINHUA in English  
1040 GMT 3 Dec 89

[Text] Sanaa, December 3 (XINHUA)—The delegation of the Chinese People's Political Consultative Conference (CPPCC) left here this morning for Syria, following a five-day visit to the Yemen Arab Republic.

Leader of the delegation Han Kehua, member of the Standing Committee of the National Committee of the CPPCC, held talks here with Husayn 'Abdallah al-Maqdami, member of the Yemeni Consultative Council. The two sides reviewed the progress of bilateral relations and prospects of cooperation between the highest consultative bodies of the two countries.

The Chinese delegation also visited the "Ma'rib" Dam in the eastern sector of the Republic.

#### **Arrives in Syria**

OW0312173989 Beijing XINHUA in English  
1446 GMT 3 Dec 89

[Text] Damascus, December 3 (XINHUA)—A senior Chinese official said here today the established friendship between the Chinese and Syrian peoples will continue to grow and the strong ties of cooperation between the two countries will not change.

Han Kehua, leader of a five-member delegation of the Chinese People's Political Consultative Conference (CPPCC), made the statement on his arrival this afternoon at Damascus International Airport on a one-week visit.

Han, who is member of the CPPCC Standing Committee, was invited by the Syrian Progressive National Front.

The Front comprises a number of Syrian political parties and is considered Syria's united front under the leadership of Syrian President Hafiz al-Asad.

The Chinese delegation will conduct a series of talks with officials of the front on ways and means to promote bilateral relations.

The two sides will also discuss the prospects of cooperation between the highest Chinese political consultative body and the Syrian Front.

### **Li Peng Telegrams Greetings on Palestinian Day**

OW0112050089 Beijing XINHUA Domestic Service  
in Chinese 29 Nov 89

[Text] Beijing, 29 Nov (XINHUA)—Chinese Premier Li Peng on 28 November sent a telegram to the chairman of the committee for the observation of the "International

Day of Solidarity With the Palestinian People" in New York, extending respect to the courageous Palestinian people on behalf of the Chinese Government and people and reiterating the Chinese Government's continuous, unwavering support of their just cause.

The telegram reads in full as follows:

Mr. Chairman:

On the occasion of holding a meeting to observe the "International Day of Solidarity With the Palestinian People," I, on behalf of the Chinese Government and people, herein extend my highest respect to the Palestinian people, who are waging a brave struggle for the restoration of their national rights.

Over the past year, the situation in the Middle East has seen positive changes, and a tendency toward a political settlement of the Middle East issue has grown stronger. The Palestine Liberation Organization [PLO] has adopted a flexible, pragmatic policy and, together with other quarters, has made relentless efforts to push forward the settlement of the Middle East issue. Under such circumstances, the observation of the "International Day of Solidarity With the Palestinian People" has important immediate significance and reflects the sympathy and support of the just cause of the Palestinian people from the international community. The Chinese Government is extremely concerned about the development of the Middle East situation. It highly appraises the efforts made by the PLO for the just settlement of the Palestine issue and it firmly supports the just cause of the Palestinian people. We believe that the settlement of the Palestine issue through political avenues is the most ideal choice. We support holding an international conference for the Middle East under the sponsorship of the United Nations. We support all types of dialogue between the parties concerned. We appeal to the Israeli authorities to correctly judge the hour and size up the situation and to change its rigid position to realize just, comprehensive, and lasting peace in the Middle East. Not only is this in the fundamental interests and aspirations of the peoples of the Middle East countries, but will also be a major contribution to safeguarding world peace.

[Signed] Li Peng, Premier of the State Council of the People's Republic of China

Beijing, 28 November 1989

### **West Europe**

#### **Li Peng Meets With British Businessman**

OW0412112789 Beijing XINHUA in English  
1056 GMT 4 Dec 89

[Text] Beijing, December 4 (XINHUA)—Chinese Premier Li Peng met here today with Sir Robert Davidson,



vice-chairman of the GEC Alstom Co., and had a cordial conversation with him on furthering cooperation in power industry.

During the meeting, Li expressed appreciation for Davidson's efforts over the years to develop cooperation with China in the energy sector. Davidson, an old friend of the Chinese people, said he was willing to continue to promote the friendly cooperation with China.

Chinese Minister of Energy Resources Huang Yicheng was present at the meeting.

#### **UK Paper Urges Continued Dialogue on Hong Kong**

*OW0212224889 Beijing XINHUA in English  
0222 GMT 2 dec 89*

[Text] London, December 1 (XINHUA)—The British Government said today in a white paper that it will continue dialogue with China on Hong Kong, due to return to Chinese rule in 1997.

According to the white paper, the government knows of no serious argument that prospects for Hong Kong would be better if the 1984 Sino-British joint declaration on handing it over to China was abandoned "To tear up or renege the joint declaration and to break off negotiations with China is not an option," the paper said.

The white paper also defended the government's arrangements for sending back boat people to Vietnam.

#### **New Ambassador Meets Irish President**

*OW0112132889 Beijing XINHUA in English  
1946 GMT 30 Nov 89*

[Text] London, November 30 (XINHUA)—New Chinese Ambassador Han Lili presented her credentials to Irish President Patrick Hillery in Dublin today, according to the Chinese Embassy there.

Han, who arrived on Monday, conveyed to Hillery regards from Chinese President Yang Shangkun.

Then they had a cordial and friendly conversation during the meeting.

#### **Guangdong Governor Meets European Envoys**

*OW3011200789 Beijing XINHUA in English  
1438 GMT 30 Nov 89*

[Text] Guangzhou, November 30 (XINHUA)—Guangdong Governor Ye Xuanping met and had a friendly conversation here today with diplomatic envoys to China of four north European countries.

They are Norwegian Ambassador Jan Tore Holvik, Swedish Ambassador Bjorn Skala, Danish Ambassador Arne Belling, and Charge d'Affaires Ad Interim of the Finnish Embassy in China Matti Pullinen.

On behalf of the diplomatic envoys, Holvik said that they hope their current study tour of Guangdong Province will promote the further growth of the existing good relations of cooperation between the four north European countries and the province.

### **East Europe**

#### **Qiao Shi Delegation Continues Visit to Bulgaria**

##### **Meets With Mladenov**

*OW0212131989 Beijing XINHUA Domestic Service  
in Chinese 0824 GMT 2 Dec 89*

[By reporter Wang Jinbo (3769 6855 2672)]

[Text] Sofia, 1 Dec (XINHUA)— [Petur] Mladenov, general secretary of the Central Committee of the Bulgarian Communist Party and chairman of the State Council, met today with the Chinese Communist Party delegation headed by Qiao Shi, member of the Standing Committee of the Political Bureau and the Secretariat of the CPC Central Committee, and other members of the delegation. Both sides exchanged views, in a cordial and friendly atmosphere, on how to develop further friendly relations and cooperation between the two parties, the two governments, and the two countries' peoples.

Comrade Qiao Shi conveyed kind regards from General Secretary Jiang Zemin, Comrade Deng Xiaoping, and other central leading comrades to Comrade Mladenov. Comrade Mladenov, in turn, asked Comrade Qiao Shi to convey his kind regards to General Secretary Jiang Zemin, Comrade Deng Xiaoping, and other Chinese leaders.

In their talks, both sides exchanged opinions on certain problems that have been encountered in the process of socialist construction and reform at present. Both sides maintained that socialist construction and reform can be carried out smoothly only under a situation marked by political stability and unity.

Mladenov said that, under the current complicated situation, the Bulgarian Communist Party would lead the people of the whole country in carrying out effective socialist reform in the political, economic, and social fields in order to speed up socialist construction.

Also participating in the meeting were Angel Karlov, member of the Political Bureau and the Secretariat of the Central Committee of the Bulgarian Communist Party, and Li Fenglin, Chinese ambassador to Bulgaria.

##### **Ends Visit to Bulgaria**

*OW0212131889 Beijing XINHUA in English  
1217 GMT 2 Dec 89*

[Text] Sofia, December 2 (XINHUA)—A delegation from the Chinese Communist Party left for home today following a five-day visit to Bulgaria.

Bulgarian Communist Party leader Petur Mladenov received the delegation on Friday. The Chinese party delegation is headed by Qiao Shi, Standing Committee member of the party's Politburo and member of the party's Secretariat.

Mladenov and Qiao agreed to stress political stability and unity to guarantee the success of reform.

The delegation held talks with the departments concerned of the Bulgarian Communist Party Central Committee. It also visited Bulgaria's coastal city of Varna, the largest shipyard and an advanced shipyard research institute.

#### Returns to Beijing

OW0412091889 Beijing XINHUA in English  
0842 GMT 4 Dec 89

[Text] Beijing, December 4 (XINHUA)—A Chinese Communist Party (CPC) delegation returned here at noon today after winding up its visit to Romania and Bulgaria.

The delegation was led by Qiao Shi, member of the Standing Committee of the Political Bureau and member of the Secretariat of the CPC Central Committee. The delegation attended the 14th Congress of the Romania Communist Party held from November 20 to 25 at the invitation of the Central Committee of the Romanian Communist Party.

The delegation then paid an official goodwill visit to Bulgaria at the invitation of the Central Committee of the Bulgarian Communist Party from November 27 to December 2.

Greeting Qiao and his delegation at the airport were Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal Party Committee, Angelo Miculescu, Romanian ambassador to China, and Filip Markov, Bulgarian ambassador to China.

**Political & Social****Article Considers Deng's Post-Retirement Role**

HK0212024289 Hong Kong CHENG MING  
in Chinese No 146, 1 Dec 89, p 9

[Article by "Special" correspondent Chang Chuan (1603 1557): "Behind-the-Scenes Activities to Ensure That Deng Xiaoping Will 'Retire in Name Only'"]

[Text] When meeting with a Japanese business delegation on 13 November, Deng Xiaoping said that he "formally bids farewell to his political career." After that, although the public did not see Deng in newspapers and on television so frequently (Deng did not completely disappear from the mass media), he in fact did not really stop performing any official functions.

In the 10 days from 13 to 23 November, Deng did not "stay idle" on any single day.

At 1600 on the afternoon of 15 November, Deng met with all the members of the new leading body of the Central Military Commission in his own house. During talks with these people, Deng once again stressed: "The state's stability represents the overwhelming task concerning the overall interests, and only when the Army maintains a high degree of stability can the state's stability be guaranteed."

At 1000 on the morning of 16 November, Deng met Wang Zhen, the vice president of the PRC, and Bo Yibo in Deng's residence. He urged the "old comrades" to take the interests of the whole into account and give full support to the third-generation leading body with Jiang Zemin as the core.

On the afternoon of 16 November, Deng talked for nearly 2 hours on the Hong Kong and Taiwan issues with Jiang Zemin, Wu Xueqian, Ji Pengfei, and Ding Guangen, Director of the Taiwan Affairs Office, in the Great Hall of the People.

On the evening of 16 November, Deng continued to meet in the Great Hall of the People with Wang Renzhong and other vice chairmen of the Chinese People's Political Consultation Conference [CPPCC], who were attending the eighth session of the CPPCC National Committee.

On the morning of 17 November, before the CPC Central Delegation headed by Qiao Shi was about to leave for Eastern Europe, they went to Deng's house to say goodbye. Then Deng had a talk for about 40 minutes with Qiao Shi and other delegation members.

On the evening of 19 November, Deng gave a dinner for seven old guards, including Wang Zhen, Bo Yibo, and Deng Yingchao in the Jiangxi Room of the Great Hall of the People.

On 20 and 23 November, Deng separately met with members of the committee for compiling the history

book about the feats of the Second Field Army and met with Nyerere, chairman of the Revolutionary Party of Tanzania. (Only these two meetings were publicized by newspapers—CHENG MING editor)

After retiring from office and shifting to the behind-the-scenes position, Deng Xiaoping continued to be very busy. He might be busy with different activities, but the main purpose was to prop up Jiang Zemin. Some senior officials in China believed that without Deng's powerful support, Jiang Zemin might not be able to hold up for even 1 month. It is expected that Deng will continue to offer major assistance to Jiang Zemin with the latter's work in the military commission in order to consolidate Jiang's position.

Although Deng Xiaoping is no longer chairman of the military commission, the commission has explicitly stipulated that all reports delivered to the principal leaders of the military commission such as Jiang Zemin and Yang Shangkun must also be submitted to Deng Xiaoping.

In the capacity of Central Military Commission chairman, Jiang Zemin recently issued a directive on intensifying the Army's political and ideological construction this winter and next spring. This is of course a step to implement Deng Xiaoping's instructions. At present, Jiang Zemin shows a certain ability to perform his functions. First, he can still rely on the support of the strongman Deng Xiaoping. Second, he is highly responsive to the requirements set forth by Deng, so that he can find favor with him. Third, the ongoing drastic changes in the East European situation provides a good opportunity for intensifying the political and ideological work in the Army. In the first 2 weeks after taking office in the Central Military Commission, Jiang devoted most of his time and energy to the handling of military affairs. After the enlarged meeting of the Central Military Commission, he successively summoned the party standing committees in the Navy and the Air Force. This was the first time he had met with military cadres in the capacity of Central Military Commission chairman. He realized the importance of taking the initiative in caring about the military affairs.

It is widely rumored among people who have relations with the military in Beijing that a number of old cadres will retire from the Army this winter or next spring. Those who will retire include General Hong Xuezhai, General Li Desheng, and Air Force Commander Wang Hai. Their current positions will be taken over by younger senior officers. On 16 November, the Central Military Commission issued a circular to all military regions, saying that the Central Military Commission will summon cadres at the army corps level to attend study classes from this winter to next spring. A large number of younger officers will be evaluated through the study classes and be promoted to various important leading positions. After the enlarged meeting of the Central Military Commission, some old cadres seemed rather depressed.



### **Zhongnanhai Coup Allegedly Planned Before 4 Jun**

HK0112121489 Hong Kong CHENG MING  
in Chinese No 146, 1 Dec 89 p 9

[Article by special correspondent Kuan Ye-Cheng (7070 2814 2052): "Mutiny in Zhongnanhai Died Young—Wen Jiabao, director of the Office of the CPC Central Committee, Is in Trouble"]

[Text] Some people of the Central Garrison Bureau, under Wen Jiabao, who were dissatisfied with the Deng-Li-Yang plan for armed suppression of the student movement, intended to stage a military coup to prevent the slaughter. But Zhao Ziyang rejected the plan, because he refused to see bloodshed again. In consequence, the students shed blood, though they persisted in peaceful demonstrations.

Apart from Wen Jiabao, also in trouble are Zhang Wenjin, Wu Xueqian, and Yan Mingfu, for their unacceptable position on the student movement.

Since the "June 4th" incident, a number of high-ranking officials have gradually withdrawn from the political scene, and seldom show up at public gatherings. The name of an important figure, among other officials, has been missing. This man is Wen Jiabao, director of the CPC Central Committee General Office.

According to news from the hierarchy: Wen Jiabao is in trouble for three reasons: 1) Wen is considered an important member of the Zhao Ziyang faction. 2) Wen is considered as falling into 1 of the 19 categories of people—those who were sympathetic to the student movement. 3) During the student movement, Wen did not exercise effective leadership over organs under the CPC Central Committee. People in the know said: Wen Jiabao has in fact been dismissed from office.

News from another channel is surprising: The CPC Central Committee received an "informal report" to the effect that cadres under Wen Jiabao were planning to stage a mutiny before 4 June.

It is reported that Wen Jiabao is also head of the Central Garrison Bureau. One of the principal tasks of this Central Garrison Bureau, known as the 8341 Army in the past, is to take care of the personal safety of CPC Central Committee senior members in Zhongnanhai or Beijing. The "informal report" said that some cadres under the Central Garrison Bureau were dissatisfied with the Deng-Li-Yang plan for armed suppression of the student movement, so they were planning to stage a military mutiny to prevent the slaughter.

The simple plan for the mutiny was submitted to Zhao Ziyang in secret, and was rejected by Zhao immediately. It is reported that Zhao believed that a military coup would throw the country into confusion and might lead to civil war. He refused to see bloodshed.

Zhao Ziyang failed to predict at that time that the students would shed blood in the end, though they had only staged peaceful demonstrations.

In consequence, the mutiny plan failed before it got started.

Not long afterward, Wen Jiabao was reportedly in trouble.

The insiders said: It is true that some people planned to stage a mutiny, but it is also true that some people planned to remove Wen Jiabao from his post. It is also beyond doubt that Zhao Ziyang did not agree with the mutiny plan. The fact that Deng Xiaoping and others froze Zhao's case and did not make a decision against him may have something to do with his refusal to stage a mutiny.

While Wen Jiabao is reportedly in trouble, it is unknown how things stand with other people.

As disclosed by relevant figures with the foreign affairs section, Zhang Wenjin, president of the Chinese People's Association for Friendship with Foreign Countries, was sacked recently for not allowing the martial law troops to enter the Association. Her post was taken over by former Chinese Ambassador to the United States Han Xu.

At present, Li Peng is in fact keeping foreign affairs in his own hands, and Wu Xueqian has no real power. It is reported that Wu is also in trouble.

Yan Minfu, head of the United Front Work Department, is now in the Beijing Hospital. It is reported that Yan, who was dismissed from his post as a member of the Secretariat of the CPC Central Committee following the "June 4th" incident, will not preserve his last post as head of the United Front Work Department.

### **Jiang Zemin Praises Furniture at Exhibition**

SK1811093389 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 16 Nov 89

[Text] At an exhibition on the achievements of foreign-invested enterprises throughout the country, which was held recently in Beijing, a set of wooden combination furniture displayed by the Yichun (Guangming) Furniture Limited Company attracted thousands of visitors. On the evening of 13 November, when visiting the exhibition, General Secretary Jiang Zemin and other central leading comrades greatly praised the furniture, saying that the Yichun (Guangming) Furniture Limited Company had won honor for the motherland.

As was learned, the wooden combination furniture produced by the company had been exported to more than 10 countries and regions, including the United States and Japan, in the past few years. It earned \$4.52 million last year. In the first 10 months of this year, the company made a profit of 2 million yuan, a 15-percent increase over the corresponding period last year.

**Jiang Zemin Visits Jiangxi Festival***HK0112050189 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0730 GMT 30 Nov 89*[**"Jiang Zemin Ascends Tengwang Pavilion"**—**ZHONGGUO XINWEN SHE** Headline]

[Text] Nanchang, 30 Nov (ZHONGGUO XINWEN SHE)—During the Double Ninth Festival, people like to ascend a height. On the second day of the Double Ninth Festival, Jiang Zemin, newly appointed general secretary of the CPC Central Committee, ascended Tengwang Pavilion—one of the "four famous pavilions in the country." He is now making an inspection tour in Jiangxi Province.

The newly published journal JIZHE XIE TIANXIA [REPORTERS WRITE ABOUT THINGS IN THE COUNTRY] carries a feature by Jiang Huilong, editor-in-chief of JIANGXI RIBAO, describing how Jiang Zemin ascended the pavilion.

The 13th day of the 9th lunar month was the 6th day of the re-decorated Tengwang Pavilion being open to the public. On that day, when the working personnel of the pavilion, who had received nearly 10,000 tourists, were going off work, a white van suddenly entered the yard of the Tengwang Pavilion. Those working personnel suddenly found out that Jiang Zemin, who was accompanied by Provincial Governor Wu Guanzheng, was walking with vigorous strides toward the pavilion. Without being guided by the provincial governor, the 63-year-old Jiang Zemin ascended the 78th step at one go of this 90-step pavilion. He almost ran and climbed up the first story of this high pavilion which overlooks a river. The accompanying press photographers, who used to go ahead of the visiting group, felt sorry because they failed to take this precious photo.

Jiang Zemin climbed up the top of the pavilion and walked along the corridor of the main part of the pavilion. He overlooked the city wall of Nanchang and the distant autumn view of Ganjiang. Pointing at Xishan, he recited the following poem, smiling: "Painting the cloud moving southward; I see rain, like pearl curtains, is wrapping Xishan." He added: "Since there is no rain today, Xishan is no longer wrapped in the pearl curtain."

The itinerary of Jiang Zemin's visit on that day was arranged as the following: On the morning, he left Beijing by plane. The plane could not land over Taihe, Jiangxi, because of bad weather conditions. It was compelled to return to Nanchang. Jiang arrived at his lodging at 1200. After a brief rest at noon, he went to factories and rural areas to listen to reports and talk with workers and peasants until 1700. On his way back to his lodging, he snatched a moment from his busy schedule to ascend the 9-story Tengwang pavilion.

In the pavilion, Jiang Zemin had a photo taken with Wu Guanzheng. He walked down to inspect the instruments

in the "Ancient Instruments Room." After that, he went to the "Calligraphy Room" to inspect "Preface of the Tengwang Pavilion," which is engraved on a copper plate. He recited the sentences of the "Preface to the Tengwang Pavilion" fluently: "The former Yuzhang prefecture is now called Hongdu..." Judging from the tone, rhythm, and fluency of the recitation, one knows that the reciter must have memorized these sentences thoroughly since childhood. Otherwise, he could not recite them so fluently. Later, Jiang Zemin looked at the portraits in the "Room of Outstanding Figures." After that, he went to the lobby on the ground floor. Like other visitors, he signed his name in the visitors' book.

The appearance of Jiang Zemin arrested the attention of other visitors from the beginning to the end. Laughter, applause, and cheers could be heard here and there. People came to Jiang Zemin one after another, wishing to have a photograph taken with him. Jiang said loudly: "Thank you." After that, he clenched his fists and raised his arms overhead to salute the masses around him.

**Ministry, PLA Issue Circular on Civilian Ties***OW0412132889 Beijing XINHUA in English  
1306 GMT 4 Dec 89*

[Text] Beijing, December 3 (XINHUA)—The Ministry of Civil Affairs and the General Political Department of the People's Liberation Army (PLA) jointly issued a circular today, calling on both soldiers and civilians to support each other during the new year's festival in 1990.

During the festival season, the circular said, all localities should improve education on national defense and publicize the heroic exploits of the PLA in defending and building the motherland in order to help cultivate support and love for the PLA by the public.

At the same time, Army political departments should conduct education on the nature, purpose and fine traditions of the PLA and increase respect for the government and love for the people.

Soldiers and civilians are told to learn from and help each other to further cement their unity.

Local governments should mobilize the people to render services to soldiers and give preferential treatment to the families of soldiers and martyrs, and soldiers should offer services to civilians.

Get-togethers of soldiers and civilians will be held and delegations will be organized to show concern for martial law troops and troops on frontiers and coastal fronts, according to the circular.

**Commentator Views Importance of Ideological Work***HK0212100689 Beijing RENMIN RIBAO in Chinese  
24 Nov 89 p 1*

[Commentator's article: "Ideological and Political Work Must, First of All, Be Strengthened"]



[Text] In his speech celebrating the 40th National Day, Comrade Jiang Zemin stresses that we must truly grasp the building of socialist spiritual civilization. He also specifically points out that we must strengthen and improve our ideological and political work.

Regarding ideological and political work, we must first, strengthen it; and second, improve it. These are the two aspects which are mutually linked with one another. By combining these two aspects, the problem which should be solved is that under the condition of reform and opening up, we must pay more attention to ideological and political work. On the basis of carrying forward our fine tradition of ideological and political work, we should blaze new trails and improve the quality of our ideological and political to conform with the new situation and solve new problems. In view of the fact that in recent years we firmly grasped the building of material civilization, but we relaxed our efforts in promoting the building of spiritual civilization, we must, first of all, stress that our ideological and political work must be strengthened. This is a precious lesson that we have taken from reviewing the past and summing up our experiences from the great political storm which occurred when spring was changing into summer this year. This is also an important guarantee for looking forward to the future and winning a new victory in our modernization program.

During the past 60 years, we overcame numerous difficulties to constantly develop and expand our party's cause. A very important experience is that on various political moments, we have given full play to the great appealing and encouraging role of our ideological and political work in the course of implementing the party's line, guiding principle, and policy. A person, a contingent, or a nation must have its own spiritual mainstay. Political and ideological work helps people develop their powerful spiritual mainstay, so that they can pluck up their courage to seek or strive for something. Under the complicated conditions of reform, opening up, and developing socialist planned commodity economy, ideological and political work is particularly important. Only by constantly strengthening ideological and political work can we help people maintain their firm political conviction and keep a clear head. Otherwise, they will face the danger of losing their spiritual mainstay, or getting lost politically.

Our ideological and political work once traversed a tortuous path and suffered from the "leftist" mistakes. We must cast off those "leftist" features. There is no doubt about this. However, casting off the previous "leftist" features does not mean negating our ideological and political work. On the contrary, our purpose in doing so is to strengthen ideological and political work in a better and more effective way. However, it is distressing that in recent years a series of instructions issued by Comrade Deng Xiaoping on strengthening the building of spiritual civilization, on strengthening rather than weakening ideological and political work, were not conscientiously followed. For a fairly long period of

time, people rarely talked about upholding the four cardinal principles, and relaxed, or weakened ideological and political work. The importance and role of ideological and political work were belittled, our principle was abandoned, and the building of our contingent was neglected. This encouraged and connived at the wide spread of bourgeois liberalization. This cannot but be regarded as an important reason contributing to turmoil and counterrevolutionary rebellion. Comrade Deng Xiaoping has pointed out: Our greatest mistake over the past 10 years is that our educational, ideological, and political work for the people was weakened. This bitter lesson which we learn from the negative experience has told us that we must vigorously strengthen ideological and political work.

Some comrades might ask: Our work task is centered on economic construction, and we must wholeheartedly develop productive forces. Is it right? The answer is, undoubtedly, yes. We must strive to successfully attain our strategic aims in our modernization and economic construction, which should be fulfilled in "three steps," so that we can turn our country into a socialist modernized power as early as possible. At present, it is a very strenuous task to improve the economic environment, to rectify the economic order, and to deepen the reform. We must particularly concentrate our efforts on struggling hard. However, all this is inseparable from strengthening ideological and political work. First, while wholeheartedly throwing ourselves into economic construction, we must never forget that ours is a socialist country under the leadership of the Communist Party. We wholeheartedly devote our efforts to socialist modernization. Regarding the problem of political orientation, we must on no account deal with it in a slapdash manner. Socialist modernization is not only a material concept. It is a process of the development and progress of our country as a whole. In this process, if we only grasp economy for economic sake without paying attention to ideological and political trends, or relax our ideological and political work, we will get lost politically. The international and domestic hostile forces will then take this opportunity to stir up trouble and undermine our socialist modernization and construction. Vigorously strengthening ideological and political work will ensure that we will not lose our way in our economic construction. Political work is the lifeline of the economic work. Since the quelling of the turmoil and the counterrevolutionary rebellion which occurred in Beijing, we must have a more profound understanding of this Marxist principle. Second, of the various essential factors of the social productive forces, man is the most important factor. To do well in our economic construction and other work, we must, first of all, educate and encourage our people to arouse their enthusiasm. This requires us to do our ideological and political work well. The idea that "a basket of theories works less effectively than a piece of banknote" does not conform with the socialist principle or the many facts in our social life. The broad masses of party members and the people do not live for money. We will never give up or barter away our

principles because of money. Of course, we do not negate material incentive. Material incentive must be combined with ideological and political work. Here the key lies in integrating theories with practice. We must explain the major theories profoundly and thoroughly, so that they strike roots in our people's hearts. This has demanded that we conscientiously exert our efforts to boldly explore and sum up new experiences on the basis of carrying forward our fine tradition of ideological and political work. We must turn the word "strengthening" into a creative work.

Strengthening ideological and political work must, in the final analysis, be reflected in the understanding and actions of our party organizations at all levels. During a period of time in the past, our ideological and political work was weakened. We must not blame our grassroots party organizations or the broad masses of cadres responsible for political, ideological work for this. They were unable to comprehend why the party leadership and our ideological and political work were weakened. They had a lot of complaints about this, or even resist this situation. It is precisely because of this reason that they sincerely support the decision on strengthening and improving ideological and political work made by the new leadership collective of the party Central Committee with Comrade Jiang Zemin as its nucleus. At present, although party organizations at all levels are very busy with their work, we still hope that they will conscientiously study the problem connected with strengthening ideological and political work, grasp well the building of the contingent responsible for ideological and political work, handle well the relations between ideological, political work, and various work, and extensively and profoundly provide the broad masses of our party members and people with ideological education in upholding the four cardinal principles, patriotism, collectivism, self-reliance, hard struggle, and revolutionary tradition. Only in so doing can we give full play to our political strong points, conquer difficulties, maintain the stability of our social and political situation, and fulfill the strenuous task of improvement, rectification, and deepening the reform to ensure that our socialist modernizations march along a correct orientation.

### Government To Protect Rights of Citizens

OW2811064689 Beijing XINHUA Domestic Service  
in Chinese 1243 GMT 24 Nov 89

[Text] Beijing, 24 Nov (XINHUA)—A responsible person of the Immigration Administration under the Ministry of Public Security said today that China will protect the legitimate rights and interests of both Chinese and foreign citizens, according to law, and will strive to standardize its work procedures and make them more scientific and modern.

The responsible person said: As China's open policy remains unchanged, foreigners, Overseas Chinese, as well as compatriots in Hong Kong, Macao, and Taiwan,

will continue to come to Mainland China in large numbers to conduct economic and cultural exchanges and to travel and sightsee. Meanwhile, the number of Chinese citizens going in and out of the country for personal reasons also will rise steadily.

He made the remarks at the national forum on immigration administration, which was held recently.

According to statistics, during the period from 1986 through the end of 1988, a total of 4.41 million foreigners, along with 75 million Overseas Chinese, as well as compatriots from Hong Kong and Macao, came to China. In the same period, a total of 440,000 Chinese citizens applied for exit visas to go abroad for personal business, and nearly one million Chinese citizens visited Hong Kong and Macao. From November 1987 to last August, Taiwan compatriots coming to the mainland to visit relatives or do sightseeing totaled 810,000.

As of August this year, China had designated 626 open cities and counties, allowing foreign businessmen to invest and build factories in these areas and also creating favorable conditions for tourism to flourish in them.

The responsible person added: China's public security agencies will also accelerate the process of improving various certificates, preventing people from forging or altering passports, and exit and entry permits. It was learned that from 1986 to June this year, various localities had uncovered a total of more than 1,000 cases involving visa forgery, passport alteration, and illegal groups carrying people in and out of the country.

### Hu Qiaomu Commemorates 'Pioneer' Li Dazhao

HK2011045589 Beijing RENMIN RIBAO in Chinese  
2 Nov 89, p 4

[Article by Hu Qiaomu (5170 0829 2606): "Commemorating Li Dazhao, a Great Pioneer of the Chinese Communist Movement"]

[Text] Today would have been Comrade Li Dazhao's 100th birthday. The CPC Central Committee Party History Research Center, Chinese Academy of Social Sciences, Beijing Municipal Party Committee, Hebei Provincial Party Committee, and Beijing University are jointly holding an academic symposium on Li Dazhao to commemorate him as one of the major founders of the Chinese Communist Party, a great Marxist, and a proletarian revolutionary. It is of great significance to explore the effects of history on him and vice versa and to learn about his firm stand, warmheartedness, meticulous attitude, noble character, and sterling integrity as a patriot, revolutionary, educator, scholar, writer, and intellectual. On behalf of the CPC Leading Group for Party History, I extend my warm congratulations on the convening of the current academic symposium, and I offer cordial regards to all Chinese and foreign experts and scholars participating in this symposium.

Li Dazhao was a forerunner of the Chinese Communist movement. He was the first to hoist the banner of Marxism in China. He actively participated in and guided the May 4th New Cultural Movement and the May 4th Patriotic Movement. He educated and united a large number of revolutionary young people, including Mao Zedong and Zhou Enlai, and guided them on the road to communism. Later, together with Chen Duxiu and Mao Zedong, he initiated and founded the CPC. He was one of the major leading members of the party in its initial stage. At that time, the contingent of the Chinese Communist movement was rather small and weak, and the environment of their struggle could be very difficult. In pursuit of the lofty cause of communism, Li Dazhao went all out to blaze new trails on all fronts, including the workers, peasants, intellectuals, army officers and men, and minority nationalities with outstanding results. He also took an active part in helping Dr Sun Yat-sen to reorganize the Kuomintang (KMT) to implement KMT-CPC cooperation and developed KMT and CPC organizations and work in 15 northern provinces and cities. Meanwhile, he continued to work hard in his academic posts and supported the revolutionary movement and impoverished students with his own income. On 4 April 1927, Li Dazhao was apprehended by the warlord Zhang Zuolin. The reactionaries in the north bitterly hated Li Dazhao and wanted him to be executed. In the wake of his betrayal of the revolution, Chiang Kai-shek sent a classified cable to Zhang Zuolin, ordering the latter to "promptly execute the communists apprehended to avoid hidden danger in the future." Thus, our great forerunner Li Dazhao was eventually hanged on 28 April the same year. He sacrificed his life when he was barely 38 years old.

It has been some 60 years since then, and tremendous and profound changes have taken place in China. The seeds of the truth of communism sowed by such forerunners as Li Dazhao have grown, bloomed, and yielded fruits on China's soil. Of course, we are still at the initial phase of socialism, but beyond a doubt, it is the starting point of communism. This is what both we and our enemies understand. Although we are far away from the times Li Dazhao lived in, we can still see the greatness of his short life and feel his deep historical insight, the preciousness of his ideological value, and his lofty revolutionary morale.

Since ancient times, China's fine intellectuals have been known for their tradition of showing concern for the nation's fate. They have always regarded maintaining the world's great order as their duty. They advocated the spirit of "worrying before the whole world worries, and feeling good only when the whole world enjoys happiness," and of believing that "every man has a responsibility for the fate of his country." Li Dazhao inherited and developed this tradition. When he was only 16 years old, he keenly felt the critical situation China was in, with the people plunged into an abyss of misery and China's territory becoming an object of contention and a theater of war in the Russo-Japanese war. Therefore, he

determined to dedicate his life to the cause of rescuing the nation. The fact that he decided to change his original name of Qinian [5075 1628] to Dazhao, and his other name Souchang [1108 2490] to Shouchang [1343 7022], was an expression of the way he constantly urged himself to strive unrelentingly during his lifetime and to become a person of ideals and integrity. In His "Confessions of Goal," Li Dazhao wrote: "Even since I was old enough to go to school, I have been determined to devote myself to the cause of national liberation and to put into practice what I believe in and what I have learned; I really do not care for myself whether I am a success or failure." (Footnote 1: from "Collected Works of Li Dazhao," Vol 2, p 893) A marked characteristic of his patriotism was that his fiery love for the motherland was interwoven with genuine concern for the fate of the Chinese people. Among the participants of the New Cultural Movement at the initial stage, many of them negated the three cardinal guides (ruler guides subject, father guides son, and husband guides wife) and the five constant virtues (benevolence, righteousness, propriety, wisdom, and fidelity) with the emancipation of individuality, and they played an active role in the struggle against old morals and culture. However, because they lacked deep sympathy for people's extensive and long-ranging sufferings, they were not psychologically prepared for the outburst of the masses' revolution. With Li Dazhao, it was different. He lamented and worried about the dark realities in which "peasants are landless, workers are unemployed, and merchants are deprived of their stock." (Footnote 2: Ibid, Vol 1, p 6.) As spokesman of the people he exposed the evils of the old system and plunged into the struggle for changes. He believed that "a bright future depends on the will of our people and will be created only with their strength." (Footnote 3: Ibid, Vol 1, p 140) He had great hope and firm faith in the masses' direct actions.

Prior to the birth of the CPC, China's progressives worked hard to seek truly effective measures to rescue the nation from Western capitalist countries. Li Dazhao was also a genuine democrat, who hoped that China's independence and prosperity would be achieved through a capitalist republic. Going from democracy to communism starting from a patriotic stand was the common road adopted by many progressives at the time. The question is, why of all people was Li Dazhao the first to give up a capitalist program to build the nation and select the new socialist orientation? To my mind, two characteristics of his early thinking might have some direct impact on that change. First, he based his selection of a road for China on what he thought would lead to people's happiness and emancipation. He saw that the republic founded in the wake of the Revolution of 1911 was a republic in name only, and asked, "Would such a republic bring happiness to our people?" (Footnote 4: Ibid, Vol 1, p 4) With the outbreak of World War I, he started to observe the Western capitalist system from the angle of world history and pointed out that "with the current world war, people are beginning to have doubts about the authority of European culture. The Europeans



themselves cannot but review the true value of their own civilization." (Footnote 5: Ibid, Vol 1, p 565.) Thus, even when he was a democrat, he had his doubts and reservations about China adopting a plan for a bourgeois republic. In June 1916, he said: "Although the parliamentary political system is being conducted on an experimental basis, it is still difficult to see whether it is successful or not, or to forecast whether it will last or not." (Footnote 6: Ibid, Vol 2, p 168) Just as Lenin put it when he criticized Herzen, such a theory of expressing doubt was a form of transition from the "class-transcending" fantasy of bourgeois democracy to proletarian class struggle, which is severe, indomitable, and invincible." (Footnote 7: "Selected Works of Lenin" Vol 2, p 446) Second, Li Dazhao had acquired factors of materialism and dialectics in his thinking early on. He stressed that people's knowledge must be "based on facts" and must be truth-seeking in "the pursuit of truth." (Footnote 8: "Collected Works of Li Dazhao" Vol 1, p 446) He believed that the universe is full of contradictions, and it is precisely such contradictions that push forward the changes of matter. Starting from such a concept, he never stubbornly held to an opinion. He believed that society is forever making progress, and new things must be better than old ones. When he expressed doubt about the Western parliamentary system, he believed that the new system to replace it must be better. It was precisely because of this that he had deeper insight in the wake of the victory of the October Revolution and saw earlier than his contemporaries that the victory of that revolution was the victory of the common people and Bolshevism. He saw that the rise of socialism was the tide of the times and was sure that it would bring new hope for China's national emancipation. Although he was not the first in China to come in contact with Marxism, he was the first to draw a demarcation from bourgeois democracy and he became the first Marxist in China. As the earliest disseminator of Marxism in China, Li Dazhao treated Marxism with a scientific attitude from the very beginning.

First, he attached importance to the study of Marxist basic tenets and worked hard to acquire an overall mastery of the Marxist theoretical system and to grasp its essence and kernel. In his article entitled, "My Marxist Perspective," he gave an introduction to the Marxist concept of historical materialism, the doctrine of class struggle, and economic theory. That could be the very first work describing and propagating Marxism in China. The article said, "Class struggle is like a golden thread that fundamentally links the above-mentioned major principles of Marx." (Footnote 9: Ibid, Vol 2, p 50.) For China at that time, the primary task was to carry out a revolution; it was only natural for him to attach special attention to the Marxist concept of historical materialism and doctrine of class struggle.

Second, he initially pointed out that Marxism must be combined with China's actual conditions. When he was still a democrat, he dealt with the importance of correctly understanding China's national conditions. He

believed that in thinking about the problems of China, it is impossible to "neglect China's national conditions." (Footnote 10: Ibid, Vol 1, p 55) By national conditions, he was referring to "the national conditions of contemporary China" as well as "the past," namely its history (Footnote 11: Ibid, Vol 1, p 113.) He believed that help should not be sought from foreigners with regard to the issue of national conditions; "It is the kind of issue that should not be discussed with one's guests." (Footnote 12: Ibid, Vol 1, p 113) During the early phase of the New Cultural Movement, he did not adopt an attitude of total negation toward China's traditional culture as he revealed the contradiction between the doctrines of Confucius and Mencius. On the contrary, he was precisely the heir of the fine culture of China's tradition. He believed that there were merits and shortcomings in both Eastern and Western civilizations. Building the world's new civilization did not necessarily involve total Westernization, nor did it mean the total negation of China's traditions. The correct thing to do was for Eastern and Western civilizations "to learn from the strong points of alien schools to offset their own weaknesses." (Footnote 13: Ibid, Vol 1, p 110) He wrote an article to oppose national nihilism and pessimism and expressed the view that "I am firm in the belief that our nation will revive and make new great contributions to world civilization." (Footnote 14: Ibid, Vol 1, p 571) He investigated Russian civilization from the angle of the historical development of the world's cultures and held the view that "Russian culture has both the characteristics of the European and Asian civilizations." "The Russians are the only people in the world who are capable of creating a future new civilization that merges the characteristics of Eastern and Western civilizations and a new world civilization characterized by the best of Europe and Asia." (Footnote 15: Ibid, Vol 2, pp 574-575) That was precisely one of the important reasons that he called for "warmly welcoming the dawn of the world's new civilization" with regard to the Russian October Revolution" (Footnote 16: Ibid, Vol 1, p 575) and called for the Chinese revolution to follow the Russians' way. When he became a Marxist, he paid great attention to the practical applications of Marxism according to China's specific conditions. That explains his correct understanding of Marxism, his scientific world outlook, as well as the logical development of his thinking mentioned above. He pointed out that Marxism "was the offspring of the times." (Footnote 17: Ibid, Vol 2, p 68.) When we accept the doctrine of a scholar, "We should not forget the difference between the environment of his times and ours." (Footnote 18: Ibid, Vol 2, p 69) A Marxist should study "how to apply Marxist theory to China's political and economic conditions today." (Footnote 19: Ibid p 711) The Beijing University Society for Research in Marxist Doctrine under his guidance sponsored a debate on "whether socialism is suitable for China," and he himself acted as the umpire. He also conducted research on such practical topics as "the actual conditions of the world's capitalist countries plundering various weak nations in the world—with special attention to China." He believed that socialism "has the inherent ability to

adjust itself to realities" (Footnote 20: Ibid, Vol 2, p 34,) when people "apply it to practical movement [1395 7139 4104 6663 0520]," and "a kind of change will occur, corresponding to the conditions of the time, cause and nature of the matter," (Footnote 21: Ibid, Vol 2, p 34,) namely, it will develop in the course of its application. We should say that such concepts are rather outstanding. That fact that he set forth those concepts in the early phase of the Marxist ideological movement in China is all the more rare and precious. Labeling such precious concepts as pragmatism does not hold water.

Third, he believed that the matchless accomplishment of Marxism was the indication "that socialism will never become a reality separate from the people themselves." (Footnote 22: Ibid, Vol 2, p 64) He attached great importance to the vanguard role of the working class in revolution by directly participating in the workers' movement; at the same time, he also paid great attention to the peasants' role as the principal force by actively mobilizing and organizing peasants' struggles. When he began to develop in the Marxist orientation, he wrote the article, "Young People and the Rural Areas," believing that only by turning the dark countryside into a bright one would a basis and fountainhead for China's democracy be found. Therefore, he called on revolutionary young people to go among the masses and down to the rural areas. In his later articles, including "Land and the Peasants," he discussed the peasants' role in revolution and the need for revolutionaries to go down to the rural areas quite profoundly. He said that revolutionaries should show concern for "the thousands upon thousands of peasants who are awaiting emancipation in the abyss of suffering;" "it is necessary to lead them out of the abyss to take a bright road." (Footnote 23: Ibid, Vol 2, p 877.) Based on that statement, many foreign scholars believe that Li Dazhao and Mao Zedong were characterized by a tint of the Narodnik; such a view has also found echoes in China. In fact, although Li Dazhao often praised the Russian Narodnik's slogan "Go among the people," what distinguished him from the Russian Narodnik was that he did not have the view that the peasants were born socialists. Taking into consideration that the Chinese revolution was primarily a democratic revolution opposing imperialism and feudalism, while the basic issue of democratic revolution was precisely an issue concerning the peasants, we should acknowledge the fact that Li Dazhao paid great attention to the peasants, and his calling on revolutionaries to go down to the rural areas was precisely part of his efforts to correctly apply Marxism to China's realities. It was the same case with Mao Zedong.

Li Dazhao was originally a scholar. He took the road to revolution through exploring the truth of rescuing the nation and the people. When he became a revolutionary, he devoted the bulk of his efforts to revolutionary struggle. He applied Marxism to the important issues concerning the Chinese revolution and conducted explorations with bountiful results; moreover, he was active in the party's work in organization and propaganda, the

workers' movement and peasants' movement, and the party's United Front work, as well as in work on military affairs and minority nationalities. His untiring figure appeared in all of those fields, and he left glorious feats for posterity. It was only a 7- or 8-year span from the time he first engaged in the activities of founding the party to his sacrifice, but he made such tremendous contributions to the Chinese people and the party's cause in so many aspects that people cannot help but be astonished and admire him.

However, as a revolutionary, Li Dazhao maintained his true colors as a scholar. After the party's founding, he continued to be a professor at Beijing University and worked diligently in many branches of the social sciences. He was the first Marxist philosopher in China to apply dialectical materialism and historical materialism to observe and understand society, and he established historical studies with a Marxist approach in China. He wrote a series of works on the theory of history, including "The Essentials of Historical Studies." He also did pioneering work in other branches of science. He was also a man of letters and wrote many well-known poems and essays. His was a most powerful style, the strokes of his hand writing were vigorous and bold, and his discussions were characterized by ease filled with passion. In his book "Critical Biographies of Twenty Contemporaries" written in the 1930's, Wang Senran [3769 2773 3544] said that when Li Dazhao was editing the journal XIN QING NIAN [NEW YOUTH], "Li Dazhao's passionate style and sharp insight in his discussions added a sweeping momentum to the new literary world." (Footnote 24: see Wang Shenran's "Critical Biography of Mr Li Dazhao," in "Collection of Research Papers on Li Dazhao," Vol 1, p 45, Hebei People's Publishing House 1984 edition) After Li Dazhao passed away, Li Leguang [2621 2867 0342] risked his life to collect and preserve some of the former's writings, while Zhou Jianren [0719 1696 0086] and others also did their best to collect Li Dazhao's writings under extremely difficult conditions. Some of Li Dazhao's pathfinding work in the ideological and cultural domain was unavoidably crude; however, his historical feats as the first in China to guide the revolution and imbue the fields of philosophy and social sciences with Marxism are indelible. In the "Preface to 'the Collected Works of Shouchang'," Lu Xun wrote that piles of books written by swindlers both dead and alive had crumbled away, and book dealers would have to sell them at a 70 or 80 percent discount, "without thinking of their losses," but "Li Dazhao's writings will live forever, because they are the heritage of a forerunner and a monument in the history of the revolution." (Footnote 25: See "Complete Works of Lu Xun," Vol 4, in the book "A Mixed Accent")

Dazhao displayed the unyielding integrity and lofty morals of a revolutionary. In him were crystalized the many virtues of the Chinese nation, and embodied in him were the fine traditions of the Chinese intelligentsia. All of this was elevated to a new plane when he became a Marxist. It was universally acknowledged that he was



sincere, kindly, modest, and unaffected. At the same time, he was a man of principle, and he never retreated at the critical moment but would always step forward boldly. His relatives and friends urged him to leave Beijing when he was wanted by the enemy, but he insisted on staying because of his work. When faced with the enemy's brutal torture when he eventually fell in the hands of the enemy, he flatly refused to yield the party's secrets, bore all the responsibility, and did his best to cover for and save the young people who had been apprehended with him. During the 20 or so days he was a prisoner, he did not say a word about his family. His sacrifice was heroic, and he laid down his life unflinchingly. He led a frugal life, spending the bulk of his income on the party's cause and helping others. Consequently, Beijing University had to deduct part of his income and deliver it directly to his wife, so that his family would not suffer from lack of money. "During his lifetime, he could only provide his family with some food, and when he passed away, the family had nothing; it was only due to the support of his friends that his funeral and burial were made possible." (Footnote 26: same as Footnote 24, p 46.) He played an exemplary role in every aspect. It was precisely because of this that he was greatly admired by all, friend and enemy, and everyone who came into contact with him thought highly of him. During the May 4th Movement, someone wrote a poem in praise of him and Chen Duxiu, referring to them as the "sun and moon" "who outshine all personalities, both living and dead." (Footnote 27: See "Recollections on the Communist Hostel" by Luo Zhanglong [5012 4545 7893] in the article "Li Dazhao in My Recollection" p 35, People's Publishing House 1980 edition.) Mao Zedong said that "both Li Dazhao and Chen Duxiu were the most outstanding leaders of China's intelligentsia at the time." (Footnote 28: See "Mao Zedong's Talks with Edgar Snow in 1963" p 40, People's Publishing House 1979 edition) In the wake of his contacts with Dr Sun Yat-sen, the latter said that "Li Dazhao was a genuine revolutionary comrade," "whom I particularly admire and respect." (Footnote 29: See Soong Ching-ling's "Dr Sun Yat-sen and His Cooperation with the CPC" in "Selected Works of Soong Ching-ling" p 465, People's Publishing House, 1966 edition) Li's contemporaries said that: "He was a good friend, sincere and kindly" (Footnote 30: See "The Shouchang I used to know" by Zhang Shizhao [4545 1102 6856] in "Recollecting Li Dazhao" p 146); "He was a perfect personality in contemporary China;" and "his thinking, actions, and behavior and his ways of dealing with friends and family were impeccable." (Footnote 31: See "Recollecting Shouchang" by Zhang Shenfu [1728 3947 1650] in "Recollecting Li Dazhao" p 61)

Once Li Dazhao personally wrote a couplet as a gift to his friend, which read: "To write with miraculous effects, with righteousness in one's mind." The author of this couplet was Yang Jisheng [2799 4949 4141] of the Ming Dynasty, and the original version read: "To write without mercy, with righteousness in one's mind." (Footnote 32: See "To Write Without Mercy" by Jia Zhi

[6328 5347], carried in RENMIN RIBAO, 28 April 1957) Yang Jisheng, a successful candidate in the highest imperial examinations during the reign of Jiajing, also hailed from Hebei. He was thrown into prison for criticizing Prime Minister Yan Song [0917 1516] and was executed after suffering all kinds of cruel torture. Yang was a well-known person of ideals and integrity. Li Dazhao's selection of this couplet showed his admiration for personalities of ideals and integrity in ancient times. His change of "without mercy" in the original into "with miraculous effects," also added some poetry to this couplet. This couplet may also serve as a vivid summation and truthful picture of Li Dazhao's entire life. Some people regarded Li Dazhao as "a model in morals and writing," which Li actually lived up to. In 1933, that is, 6 years after Li Dazhao was sacrificed, his good friends at Beijing University collected funds for his burial rites and for a tablet to be placed on this hero's tomb. They were Professors Wang Lie [3769 3525], He Jihong [0149 1015 7703], Shen Yimo [3088 0122 1075], Shen Jianshi [3088 0369 1102], Zhou Zuoren [0719 0155 0086], Hu Shi [5170 6624], Ma Yuzhao [7456 5940 5679], Ma Heng [7456 5899], Jiang Mengling [5592 1125 7792], Fan Jixiang [2868 7139 2490], Liu Fu [0491 1788], and Qian Xuantong [6929 3763 0681]. Liu Fu wrote the inscription on the tablet, saying that the deceased was "meticulous and strict with his theory, had deep insight and was broad-minded, and those who knew him could not help admiring him"; "he was kindhearted and sincere, but could be very strict with himself; he never tired of studying or helping others. As a result, he had many friends and became famous far and wide." That showed that all scholars, no matter what their attitude toward Marxism was, acknowledged Li Dazhao's greatness in his thinking and character.

Today, as we commemorate Li Dazhao, it is necessary for us to learn from his revolutionary aspirations and lofty character, his righteousness, honesty, selflessness, and his spirit of making unremitting efforts to improve himself in order to inherit and develop his ideological heritage, from which he drew a powerful spiritual force. This is all the more important for us as we simultaneously build material and spiritual civilizations and wage unremitting struggles against the ambition of capitalist powers to subvert China, under the historical condition of reform and opening up to the outside world in the new historical stage of building socialism today.

Here I would like to point out that the name of Li Dazhao, the forerunner of communism, is inseparable from Beijing University. He began his revolutionary activities in the "Red Building" and the Library on the Beijing University campus. Beijing University's Marxist Research Society, under his guidance, won the support of University President Cai Yuanpei [5591 0337 1014] from the very start. The "Kang Mu Yi [0073 1970 5030] Hostel" (namely, the Communist Hostel), named by Li Dazhao and his students, was actually the two rooms provided by Chai Yuanpei specially for the society as a site for their activities. Many of the revolutionary young

people, who later became communists in China, were members or correspondents of that society. The earliest members of Beijing's Communist Group were mostly students and teachers from Beijing University. Therefore, we can see that Beijing University boasts not only the tradition of Chai Yuanpei, the great patriot and educator, but also the tradition of Li Dazhao, the great Marxist and revolutionary, as well as the tradition of studying and propagating Marxism and being one of the major places of origin of communism. These traditions emitted an eye-catching brilliance in the movement to resist Japan to salvage the Chinese nation as well as the struggle to resist the United States and to oppose Chiang Kai-shek. Beijing University has developed unprecedentedly since the founding of the PRC and approached a new scale and level in teaching and research in the natural sciences, social sciences, and humanities. However, some heart-breaking setbacks have occurred over the years. But Beijing University's glorious revolutionary traditions remain unshakable. Today, Beijing University was one of the initiating units of the current academic symposium, which is being held on the Beijing University campus itself. That is only natural. Regarding its historical position and realistic responsibility, I believe, the teachers and students of Beijing University will certainly adhere to and bring forward the revolutionary traditions initiated by Chai Yuanpei and Li Dazhao under the care of the party and government leadership.

The histories of such historical figures as Li Dazhao themselves are part of the party's history. It is necessary for us to conduct truth-seeking analyses of them by studying them in their historical contexts so as to arrive at an objective assessment. The more truth-seeking we are in assessing these figures in the party's history, the more truth-seeking we are in portraying their thinking, activities, and characters, the more truthful and vivid our party's history will be, and the more convincing and effective it will be. The studies of Li Dazhao in historical studies circles have taken on a sense of prosperity in recent years. I hope that the current academic symposium will help deepen the studies of Li Dazhao.

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#### **Science & Technology**

##### **Zhu Rongji Encourages Technological Progress**

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[Article by Zhu Rongji: "Adhere to the Road of Technological Progress"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, acting upon Comrade Deng Xiaoping's important instruction to "vigorously use foreign capital and introduce foreign technologies to transform enterprises," the State Council has issued a series of documents, adopted effective measures to promote technological advancement within enterprises, carried out large-scale technological transformation for currently existing enterprises, and scored great achievements. Shanghai has also completed many tasks in this respect, enabling profound changes to take place in this old industrial base, which has transformed from operating mainly in the extensive style to operating in the intensive style.

**First, the pace of transformation of industrial technology has quickened.** In the last 10 years, total investment in industrial transformation and renewal in Shanghai hit 20.4 billion yuan, 300 percent more than the sum total of

investment in the 29 years before 1979. The coverage of technological transformation for enterprises occupied two-thirds of the industrial enterprises in the municipality, and some key enterprises have already attained world advanced standards in turning out products. Shanghai's industry is gradually shifting to a new base of technology.

**Second, advanced technologies have been introduced for transforming a large number of old enterprises.** A major characteristic of technological advancement in Shanghai in recent years has been the large-scale introduction and absorption of advanced technologies from foreign countries. Since 1980, and in particular since 1983 when the State Council delegated power to Shanghai for introducing foreign technologies to transform enterprises, the work in improving technologies for old enterprises in Shanghai has scored good results. Up to the end of 1988, the contracts of a total of 1,848 technologies imported or to be imported to China have been signed with foreign countries, involving \$2.151 billion; the equipment and technologies imported basically meet world advanced standards of the 1970's and 1980's. Some enterprises quickly grasped advanced technologies imported from foreign countries, and their technological standards and product standards leaped over several middle stages of development; some 600 industrial enterprises have adopted the international standards or advanced domestic standards for organizing production of 2,200 key products.

**Third, the returns of technological improvement have become an important factor for stable development of Shanghai's industry.** In the past 10 years, there have been clear returns from the investment in 1,520 key projects of technological transformation and importation in Shanghai. On the average, each yuan of investment in technological improvement brings 1.85 yuan increase in output value, as well as 0.46 yuan increase in revenue, and \$1 of investment in importation of technology brings 7 yuan increase in output value, as well as 1.8 yuan increase in revenue. In recent years, each year, 60 percent of the newly increased industrial output value was acquired through technological improvement. The returns acquired through technological improvement have not only made up for the original output value of a large number of products that had been eliminated, as well as the revenue they generated, but also have accumulated staying power for Shanghai's industry.

Practice proves that, the principle adopted by the CPC Central Committee and the State Council on developing national economy by relying on the improvement of technologies employed by currently existing enterprises, and on treating technological improvement as a major means to expand reproduction, is completely correct. The currently existing enterprises, especially the big and medium enterprises owned by the whole people, are the main forces of economic development in our country, and the basis for our continuous advancement. Through technological improvement to gradually transform these enterprises to the foundation of new technology, is an

important method to improve returns of national economy, and to quicken the pace of modernization of our industry; it is also the hope for invigorating our country's economy. An old industrial city like Shanghai should certainly place technological improvement for the currently existing enterprises in a very important position.

However, we must also perceive that there are serious difficulties in carrying out the work in transforming technology. First, the scale of transforming technologies for industrial enterprises still cannot satisfy the demand for maintaining simple reproduction and of expanding reproduction. Each year, at least 4 billion yuan must be spent on technological transformation for Shanghai's industrial enterprises owned by the whole people to enable them to maintain simple reproduction; although in the past 10 years the absolute amount of input greatly increased, on the average only 2 billion yuan were available each year, the pace of compensation could not follow the pace of breaking down. In the whole municipality, one-third of the key industrial enterprises have not undergone technological transformation, and in particular the proportion of big and small enterprises that have undergone overall technological transformation is very low. Second, the enterprises are facing bigger difficulties nowadays. The prices of energy and raw materials are continually increasing, leading to a big increase in production cost, however, the prices of products cannot be adjusted correspondingly, leading to decrease in profits, and the enterprises have great difficulty in gathering funds for technological transformation. Under the current conditions of rectification and improvement, there is a shortage of funds, and a reduced scale of capital construction, as well as a cut scale of technological transformation.

What should we do when facing these difficulties? We cannot rely on asking for help from above, and the only correct method is to dig into internal potential. On the one hand, we must be really determined to reduce non-productive construction and general construction projects, and ensure the key projects for technological transformation; on the other hand, we must strictly control the increase of consumption funds, and lead a thrifty life, to squeeze money for use in technological transformation, and resolutely stay on the road of technological progress. If we do not rely on technological progress, the quality and standard of products made in Shanghai cannot be upgraded, nor can they further enter the international market, to increase foreign exchange earned through exports; enterprises cannot digest high-priced raw materials, and have no foreign exchange to buy imported raw materials; and industry cannot develop more rapidly. Therefore, technological progress is a critical matter concerning the fate of industrial enterprises in Shanghai, and is the basic measure for invigorating large and medium-sized enterprises owned by the whole people. The enterprises should grasp technological progress as a matter of top priority, try their best to arouse the eagerness of the great masses of



workers to build socialism, develop the spirit of plain living and hard work, and of building the country through thrift and diligence, reduce expenditure and explore potential, gather funds and resources for technological transformation, increase vigor for enterprises, and maintain the staying power for development of enterprises.

At present, under the grim situation, technological transformation for enterprises in Shanghai must make reference to Shanghai's strategy for economic development and plan for adjusting industrial structure, select items and emphasize key points, step up effort in improving returns, and pursue the development characterized by export-oriented pattern, intensive pattern, group pattern, and knowledge pattern. In concrete terms: **First, by export-oriented pattern we mean that technological transformation must serve the key point of expanding foreign exchange through exports.** At present, there is a shortage of capital, of energy, and of raw materials, and the basic outlet for Shanghai's industry to exist and develop is expansion of exports and exploration of the international market. For example, last year the state was only able to hand down two-thirds of the planned supply of cotton needed by Shanghai's textile industry, and this year only half of the planned quantity was supplied; the supply of cotton in the country is diminishing, and prices have become more expensive. If foreign exchange cannot be earned through exports of textile products, then there is no way to import cotton, and then textile industry will face the danger of stopping production. This is a common problem in Shanghai's economic development, which has processing industry as its main body. Therefore, the work in technological transformation must be closely linked to the key point of expanding foreign exchange through exports, and it is precisely in this aspect that great development can be sought. For example, the toothpastes produced in Shanghai used to be profit-earning products, now, the prices of raw materials have increased many times over, and production cost has increased by 30 percent; factories begin to lose money instead of earning profits, and production cannot be maintained. I have studied the situation with the comrades from the toothpaste factories, and concluded that the outlet would be improvement of their products, expansion of exports, and increased selling prices. The quality of toothpastes now being exported by Shanghai is not bad, but each package sells for only twenty cents; abroad, each package sells at a retail price of \$1.5. The main problem is that the packing of our toothpastes does not meet the demand of the international market. First, the seal of the cartons containing toothpaste is not tight, and the toothpaste can easily slip out. Second, toothpaste in plastic tubes is popular in foreign countries; an aluminium tube is not as popular. If we can make some improvement in these areas, the price of toothpaste produced in Shanghai can be increased by 100 percent, the quantity of exports can be expanded, and the problem of enterprises losing money can be solved. Therefore technological transformation for enterprises must also target the international market, and squeeze a

place for the brands of their products; exporting products is precisely the best motive force of enhancement of technological progress for enterprises.

**Second, by intensive pattern we mean that we must speed up the development of technology-intensive and knowledge-intensive industry through technological transformation.** Shanghai is short of energy and raw materials, and is restrained by labor resources; there is not much prospect for developing labor-intensive products, and there is no future if we follow the extensive pattern characterized by high input and low output. Therefore, what we can do is: On the basis of trying our best to save energy and raw materials, and through strengthening management, to foster technological progress, increase additional prices of products, and develop technology-intensive and knowledge-intensive products. In the coming several years, Shanghai will speed up digestion, absorption and dissemination of imported technologies. On the one hand, Shanghai will grasp getting rid of some energy-consuming and materials-consuming backward products and backward enterprises with poor economic returns; speed up renewal of crafts, technologies and equipment; and use advanced technologies to transform some traditional businesses. On the other hand, Shanghai will fully develop its scientific and technological strong points, organize unified effort to overcome difficulty, gather strong points, concentrate investment in some projects, seek breakthroughs in some key points, speed up development of new technologies and integration of imported technologies into China's industry, and establish as soon as possible several big enterprises based on the foundation of advanced technology. Take Sangtana [2718 1044 4780] limousine as an example, the key task in the past few years was to set up a production system of spare parts, and to increase the Chinese-made proportion; in 1988, the Chinese-made proportion hit 30 percent, and we will struggle for 50 percent this year, and 100 percent in 1990. We will gradually build a modernized automobile industry capable of turning out 150,000 Sangtana limousines of the improved type each year. The 14 key projects of integration of production and scientific research being carried out in Shanghai must strive for a breakthrough in 3 years, so as to gradually form a number of new and major industries. Shanghai's weakness is shortage of resources, but this weakness can be converted into the motive force for developing Shanghai's strong points, to foster technological progress for enterprises, promote a rational adjustment of Shanghai's industrial structure, and speed up development of Shanghai's industry into the intensive pattern.

**Third, by group pattern we mean that technological transformation must pay attention to fully developing the strong points of various businesses.** Shanghai has a strong point in its economy; that is, a complete set of corresponding businesses. Technological transformation must closely unite with effort in developing the strong points of Shanghai's businesses, in order to be able to obtain returns as fast and early as possible. The density of Shanghai's industries is the highest in the country, and

the proportion of big and medium enterprises is very high, but most of these enterprises do not have a reasonable scale of operation according to contemporary standards. There are over 500 textile factories operating businesses separately, and each seeks its own outlet; 4 distinct refrigerator factories producing fewer than 1 million refrigerators; the "Phoenix" and "Everlasting" bicycles with their respective weaknesses and strong points; and "Jinxing" [Golden Star] and "Feiyue" [Leap] television sets competing against each other. Shanghai's products can be famous in the country, but are not well-known in the international market. The far-sighted entrepreneurs should start from considering the overall situation; abandon narrow-mindedness; organize groups; integrate strong points; consolidate forces; concentrate human resources and funds to run marketing research, advertisement, publicity campaigns, sales networks, and maintenance services. Only by doing these can we establish an international reputation for our products, and lay the foundation for Shanghai's export-oriented economy. Therefore, we must speed up structural and organizational adjustments for our enterprises, organize a number of economic groups facing the international market, strengthen business plans and coordinating functions for these groups, and create good conditions for stressing key points of technological transformation, for rational overall arrangement, and for improving returns of investment. At the same time, the work in technological progress for businesses and groups must practice three integrations: First, it must be integrated with the development of rationally scaled operations, and on the basis of comprehensive analysis of market capacity, production quantity, and life cycle of products, we select the best items for technological transformation according to scales and economic returns; second, it must be integrated with the readjustment of product structure, to foster changes in products and development of new products; third, it must be integrated with the transformation of the structure of businesses as a complete set, and that is, at the same time as we grasp technological transformation for factories turning out "dragon head" products, the work must be integrated with proper arrangement for technological transformation for enterprises turning out products for forming a complete set, to fully develop the economic returns of the businesses after they have gone through technological transformation.

Fourth, by knowledge-type development we mean that during technological transformation, particular importance must be attached to improving the quality of workers. The vitality of our enterprises depends on the quality of workers and technical personnel. Only if the workers have high standards of political consciousness, relatively high levels of scientific and cultural attainment, and skillful working technique, can they really carry out modernized and efficient production. Technological progress does not only mean renewal of equipment, but more importantly it means overall and simultaneous improvement of the quality of workers and

technical personnel, and this is the most basic technological progress. When enterprise staff are lacking the necessary quality, technology cannot be improved, and management cannot be strengthened. We should establish and perfect the vocational training system within the enterprises in Shanghai according to the demand of technological progress. The training, which should include factory managers, managers, administrative personnel, and staff, must borrow the successful experience from the developed countries, and integrate it with our reality, to form a complete system of factory training step by step, to enable each factory to have its own vocational training school; the most advanced equipment must be put in these schools. The trained workers and technical personnel will serve not only their own factories, but to provide laborers of the best quality to the society. With this kind of vocational training system, the quality of Shanghai's working class can be improved continually, to better perform the function of main force in production and construction. We must also launch a large-scale campaign for technological transformation and rational proposal among the great masses of workers, encourage any small-scale technological transformation and revolution, carry out activities in transforming old equipment with micro-computers, promote mechanical and electrical unity, foster effective measures for saving energy and raw materials, bringing Shanghai's technological progress to a new level.

#### Scientists Make Doppler 'Blast-Indicating Radar'

OW0412113089 Beijing XINHUA in English  
1040 GMT 4 Dec 89

[Text] Beijing, December 4 (XINHUA)—Chinese scientists have succeeded in developing an ultra-high-frequency (UHF) doppler blast-indicating radar for remote sensing of the atmosphere, according to the latest issue of "CHINA AERO-SPACE NEWS".

The instrument was officially examined and appraised at the national level recently after one year of trial use.

By emitting electromagnetic waves and receiving signals reflected and scattered from the turbulent flows in the troposphere, the instrument can monitor the doppler shift of the signals, thus detecting the wind direction and speed in the troposphere for accurate forecasting of weather.

The doppler shift, or doppler effect, was named after Christian Doppler, an Austrian mathematician and physicist. It means the apparent increase or decrease in frequency of sound, light, electromagnetic or other waves when source and observer become closer or more distant.

The Chinese instrument was developed jointly by an institute under the Chinese Ministry of Aeronautics and Astronautics and the Academy of Meteorological Science under the National Meteorological Bureau.



Since the radar is automatic and the data monitored by the radar station is remotely controlled by the terminal in the National Meteorological Bureau 30 km away, the instrument is particularly suitable for monitoring the features of the air movement in disastrous weather such as gales, rainstorms and hail. It is also suitable for providing accurate data of air movement above airports and on aviation and navigation routes.

#### Telegraph Offices To Use New Telegraphic Code

OW2811095189 Beijing XINHUA Domestic Service  
in Chinese 1123 GMT 15 Nov 89

[By reporter Yang Zhaobo (2799 0340 3134)]

[Excerpts] Beijing, 15 Nov (XINHUA)—China has decided to popularize "a method of inputting Chinese characters into five stroke [wu bi zi xing 0063 4581 1316 0992] computers" among consumer telegraph offices. This will gradually replace the original four digit standard telegraph code [STC] designed by foreigners. Experts said that applying this significant scientific method, invented by China's noted Chinese computer expert Wang Yongmin, in consumer telegraph offices will be of great significance to advancing the development of China's telegraphic service and enabling China's consumer telegraphic undertakings to meet and surpass advanced world levels.

According to a briefing at a "symposium of experts to discuss the application of the Wang code technology in posts and telecommunications," which opened here today, the "five stroke computer Chinese character input method" is currently the most widely applied Chinese character input technology in China. [passage omitted]

The experts noted that the "five stroke Chinese character computer input method" makes it possible to input not only individual words, but also tens of thousands of phrases into the computer, thus greatly raising efficiency. Moreover, the method is easy to learn and is not affected by pronunciation and dialects. It is far superior to the original STC system. The application of this method will yield tremendous social and economic benefits.

More than 50 computer experts and posts and telecommunications experts attended today's symposium.

### Military

#### Military Commission Official Visits Regiment

OW0112073689 Beijing XINHUA Domestic Service  
in Chinese 1606 GMT 30 Nov 89

[By correspondents Wu Zijing (0702 1311 2417) and Li Quanmao (2621 0356 5399)]

[Text] Beijing, 30 Nov (XINHUA)—Liu Huaqing, Cheng Zihua, Guo Shushen, Liu Zhen, Wang Hancheng, Zhang Chiming, Chen Xianrui, and other veterans of the

Red Army who once served with the Red Army Regiment of the Beijing Military Region visited the regiment today. They gave lectures to the cadres and the fighters there on revolutionary traditions, and encouraged the commanders and fighters to carry forward the revolutionary traditions and to make new contributions to building a modern and regular revolutionary army.

The Red Army veterans were particularly pleased when they heard the loud "Song of the Regiment" and saw the vigorous new generation in the barracks. While standing in front of some blood and gunpowder stained army flags, they told the cadres and fighters about the regiment's 57-year battle history and its brilliant exploits during the Revolutionary War.

Liu Huaqing, vice chairman of the Central Military Commission, earnestly encouraged the cadres and fighters to carry forward revolutionary traditions in the new period; resolutely obey the party's leadership and command; firmly adhere to the political orientation of struggling for socialism and communism; strengthen officer-soldier unity; maintain close Army-people relations; work hard; abide by discipline; make even greater achievements in the Army's revolutionization, modernization, and regularization; and accomplish the sacred mission of resisting foreign imperialist aggression and defending the people's democratic dictatorship and the four modernizations.

The Red Army veterans showed great concern for the fighters' well-being. Some had difficulty getting around, but they insisted on visiting the fighters' dormitories where they asked the fighters whether their rooms are warm enough, whether their food is good, and whether their cultural life is interesting. They told the cadres and the fighters: The present conditions are much better than those that existed during the war years, but you must still display a spirit of hard struggle. Such a cherished tradition must not be abandoned. We feared neither hardship nor sacrifice when fighting past battles. We also need such a spirit in peace time.

#### JIEFANGJUN BAO Praises Military Strategy

##### Strategy Study Encouraged

HK2211061589 Beijing JIEFANGJUN BAO  
in Chinese 10 Nov 89 p 4

[Article by Qi Zhengjun (7871 2973 6874): "Let the Whole Army Study Military Strategy Science"]

[Text] In an era characterized by keen competition, people need to be cleverer and wiser in order to survive and develop. As a result, the military culture of the East, which stresses military strategy, is gradually drawing more and more attention in the present-day world.

Our Chinese nation is a wise nation that is good at thinking and planning. China is a country in which military science has existed and evolved for several thousand years. The seeds of military strategy science

could even be found in the battles fought at the very early stage of our country's slave society. By the Western Chou Period, China already had books on the art of war. In the Spring and Autumn Period and the Warring States Period, China had a lot of outstanding military leaders who were keen on studying of military strategy science and military theory because they wanted to occupy more land and expand their spheres of influence. During those periods, China also saw the emergence of a lot of military strategists and theorists who enriched and developed various schools of military strategy science. As a result, the science of military strategy developed and spread very rapidly in China during those periods. In the Spring and Autumn Period and the Warring States Period, a large number of renowned militarists, strategists, and military theorists emerged in China. They were Sun Wu, Sun Bin, Wu Qi, Wei Liao, Sima Rangju, and so on. They wrote many well-known books on the art of war and invented some new military theories, such as combined vertical and horizontal attacks, combined distant assaults and short-range offensives, besieging A to rescue B, giving way to enemy troops to avoid a conflict, gaining mastery by striking only after the enemy has struck, and other world-renowned military theories. Some of the books written by Chinese militarists on the art of war, such as "Sun Zi" and "Wu Zi," have always been regarded as world masterpieces of military strategy science. Over the past 2,000 years or more, China has witnessed numerous dynastic changes and wars. As a result, a large number of outstanding military strategists emerged. Moreover, the study and application of China's traditional military strategy has also been continuously enriched and developed.

Through several decades of revolutionary wars, our Army has grown from small to large and from weak to strong. With relatively backward weaponry and equipment, our Army has successfully defeated formidable domestic and foreign enemies. One of the important reasons for our Army's continued success is that the commanders at all levels are good at applying the science of military strategy to actual combat. The old generation of Chinese proletarian revolutionaries and militarists represented by Mao Zedong creatively applied the basic tenets of Marxism to China's revolutionary practice, critically assimilated the cream of ancient Chinese military theory, and developed Chinese military strategy science to a new level, thus adding valuable wealth to the military strategy science of the East and the treasure-house of Marxist military ideology.

In the present-day world, propelled and influenced by the new technological revolution, new types of high-technology weapons are emerging one after another. Old-fashioned warfare has also been gradually replaced by electronic warfare, intellectual warfare, and multi-level three-dimensional warfare. Nevertheless, all these latest developments have not in the least diminished the role of military strategy science, but instead have put new demands on the development and application of military strategy science. Military history over the past

several thousand years has borne out that military strategy science always develops hand in hand with the development of science, technology, and social production. The rapid development of modern high technology is infusing traditional military strategy science with fresh vitality. So long as it is applied at the right moment, in the right circumstances, and in a flexible way, traditional military strategy science is still able to play a significant role in modern warfare. Over the past few years, some regional wars have broken out in the world. In those regional wars, concealed and electronic deception, new technological camouflage, and other new methods were employed in military and strategic confrontation. All these new methods have been formulated on the basis of traditional military strategy science and are able to play a magic role in modern warfare because they can confuse an enemy and bring about strategic changes unpredictable to an enemy. The further development of modern warfare will again prove that modern high-technology warfare will rely even more frequently on traditional military strategy science.

Over the past several thousand years, only a small number of people have been involved in the study of military strategy science. Hence, the study of military strategy science has lacked a systematic and theoretical basis, and some people have therefore suggested taking military strategy science as an independent school of science, studying it, and turning it into an independent theoretical system. Some people have already made some valuable efforts in this regard. In my view, this is an ambitious, far-sighted, and creative suggestion. In the present-day world, like the development of other social sciences and natural sciences, the development of military science is also heading toward high-level classification, high-level synthesis, macro-exploration, micro-exploration, and spatial exploration. As a result, a lot of new military sciences have emerged. Therefore, the development of military strategy science should also follow the development trend of science and technology and should gradually be separated from other types of military science so as to form a relatively independent theoretical system. Now history has entrusted our generation with this arduous task.

Military strategy science reflects the top-level thinking and philosophy in military struggle and is a school of science aimed at exploring the laws of human thinking in the course of military confrontation. The founding of this new school of science will definitely help us acquire an in-depth understanding of the nature, the law of development and change, the functions and mechanisms, and the specific forms of military strategy.

The theoretical system of military strategy science to be established should not be a simple inheritance and synthesis of the legacy of previous generations, but should be a new development and invention of traditional military strategy science on the basis of that legacy. In ancient times, because of the low standard of science, technology, and productive forces, our country's militarists could only formulate their military theory and

foster their military ideology through direct observation and personal experience in combat and warfare. This determined that our country's ancient military strategic theory possessed certain historical limitations. Today, under the guidance of Marxist dialectical materialism and historical materialism, provided with the fine examples set by the old generation of Chinese proletarian revolutionaries and with new methods of research invented by new sciences of methodological significance, I believe we will certainly be able to develop our country's military strategic science and theory to a new level.

The fundamental task of our Army's military command academies at all levels is to train a large number of qualified military commanders who are loyal to the party and the people and are capable of commanding in modern warfare and carrying out army building in the new historical period. "The art of war is primarily characterized by military strategy." "More stress should be laid on military strategy rather than on courage." In any future war against foreign aggression, our Army should be well-prepared to fight the enemy with relatively backward weaponry and equipment. In order to win a future war, we need to bring into full play the political advantages of our Army and give full scope to the wisdom of our Army commanders at all levels.

In addition, we should understand that our opponents also attach growing importance to education and training in the art of war and in military strategy among their officers. The military strategy of the East has also gradually infiltrated into the military circles of the West and gradually merged with the traditional military science of the West. In many previous wars, especially in some regional wars which have broken out since the end of World War II, some middle-ranking and high-ranking officers of Western countries have demonstrated their outstanding military and strategic talents. This is indeed a challenge to us. In order to survive and increase our own strength, we need to study military strategy science harder than before so as to raise our military strategy to a new level.

In the course of our study of military strategy science over the past few years, there have emerged crazes in the study campaigns, national defense development strategy, and regional wars, all of which have given a powerful impetus to the development of our traditional military science and theory. After summing up our experiences in the study of military science and theory over the past decade, we have come to realize that in order to build a modernized army with outstanding Chinese characteristics, we must create a military theory with outstanding Chinese characteristics. When conducting the study of military science and theory, we should assimilate advanced foreign military science and develop an art of war with outstanding Chinese characteristics. As a cultural phenomenon, military strategy contains the cream of national spirit. The military strategy of the East should reflect the glorious side of our national culture. Our study of military science and theory should help to

develop our national advantages. Should we mechanically transplant foreign military science and theory, we would lag behind foreign countries in respect of military science and theory forever. Nevertheless, new theories can only be created in the process of inheriting traditional theories.

At present, our Army has just begun attaching growing importance to the study of military strategy science. A lot of achievements by our Army in its study of military strategy science and theory have drawn attention from both inside and outside our Army. "This year, the spring wind blows in southern Jiangsu Province. Next year, poplar and willow will grow across Yuguan." I sincerely hope that our whole Army will pay greater attention to the study of military strategy science in the foreseeable future!

### Study of Mao's Strategy Urged

HK2911065989 Beijing JIEFANGJUN BAO  
in Chinese 17 Nov 89 p 3

[Article by Liu Xianting (0491 0341 1694): "Pay Attention to Study of Mao Zedong's Thinking on Military Strategy"]

[Text] In the songs to eulogize the Long March, a verse says that "Chairman Mao directed military operations with miraculous skill." This pinpointed the essential characteristic of Mao Zedong's art of directing military operations. The "miraculous skill" refers to remarkable and superb skill. In one word, the skill is to defeat the enemy by strategy, and the strategy must be worked out scientifically and be applied deftly.

When the armed struggle with Jianggangshan as a base was carried out, the Red Army was still weak and small in size, but the enemy was rather strong. However, the "sparks" eventually started a "prairie fire." The military strategy in this period was summarized into the "sixteen-character formula." Was this strategy marvelously effective? Yes, indeed!

The great Long March marked a magnificent feat in the world's military history. The central Red Army broke through the enemy's encirclements and blockades and frustrated the enemy's pursuits, successfully moving from Jiangxi to Northern Shaanxi. Even though the enemy used a huge number of troops to encircle and pursue the Red Army, the enemy still failed. The Red Army, by sweeping across a distance of some 25,000 li and crossing the Chishui River four times, completely disrupted the enemy's deployment and foiled the enemy's plan. Was this something marvelous? Yes, indeed!

The anti-Japanese war resulted in a great victory for the Chinese nation in resisting the foreign enemy (since the opium war). Mao Zedong wrote the book "On Protracted War" 10 months after the outbreak of the war. Under the guidance of the strategy of the protracted war, our Army penetrated deep the areas behind the enemy



and carried out the activities of mobilizing, organizing, and arming the masses. The Army and the people created many original tactics, set up many revolutionary bases for resisting the Japanese aggressors, and formed a jigsaw pattern in the war. The enemy became blind and deaf in the war, like a mad bull crashing into a ring of flames, and was left with thorough defeat. Was Mao Zedong's military strategy marvelously effective in this war? Yes, indeed!

In the initial stage of the liberation war, there was a big gap between our military strength and the enemy's. Chiang Kai-shek launched attacks on our base areas in Shaanxi and Shandong and clamored that the communist Army would be wiped out in 3 months' time. Our Army adopted the "mushroom tactic" in Northern Shaanxi; and in Shandong, we adopted the tactic of suddenly returning to attack the enemy that kept pursuing our retreating troops. This caused heavy losses to the enemy. Then, our Army sent three units separately headed by Liu Bocheng and Deng Xiaoping, Chen Yi and Su Yu, and Chen Geng and Xie Fuzhi to the enemy's rear; this was like poking three daggers into the enemy's belly. These three units were deployed in a triangle in central China, and this raised the curtain on our Army's strategic counterattack. In the three big campaigns, we adopted different tactics in light of the different situations of the enemy. The tactic we adopted in the Liaoshen Campaign was to first encircle and blockade the enemy; the tactic in the Pingjin Campaign was to separate the enemy into two parts and encircle them for a long time; and in the Huaihai Campaign, we wiped out the enemy units one after another. The three campaigns were also properly coordinated in time and in military deployment. A large number of enemy troops were wiped out in these campaigns. Mao Zedong's military strategic thinking attained perfection in this stage.

The war to resist U.S. aggression and aid Korea was a modern war that our Army first fought. The enemy used all modern weapons and equipment in the war, except atomic bombs. However, we still succeeded in driving them from the banks of the Yalu River back to the 38th parallel. Finally, the Americans could only admit that they had fought a wrong war, in a wrong place, and in a wrong time. The enemy admitted their mistake, and this certainly proved our correctness and showed the marvelous effectiveness of the strategy being applied in this war.

After the U.S. troops were defeated in Korea and France was defeated in Vietnam, foreigners began to pay attention to the study of Mao Zedong's military thinking, including his strategic thinking. A British writer called Michael Barterman [1572 3676 2581] wrote a book entitled "Failures in the East." He admitted that "Mao Zedong is a man of the times who has grasped all the keys to the military secrets of this era." He said: "The technological superiority of the West cannot guarantee victories in such wars as in the East;" "in Indochina,

Mao's theory enabled the Viet Cong to find other countermeasures to substitute for the tanks, planes, paratroopers, and napalm bombs that they did not possess."

Mao Zedong's military thinking is the guideline for our Army's construction. In the modernization process of our Army, we should continue to study, maintain, and develop Mao Zedong's military thinking, including his strategic thinking.

## Economic & Agricultural

### Statistics Bureau Official Views Economic Work

OW0312225489 Beijing XINHUA Domestic Service  
in Chinese 0806 GMT 3 Dec 89

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Beijing, 3 Dec (XINHUA)—With the improvement in the economic environment and the rectification of the economic order, China's economy has undergone a series of changes. How to assess the current economic situation and how to put China's economy on the track of healthy development are questions of public concern. In this connection, this reporter had an interview with a responsible person of the State Statistics Bureau.

[Wu Shishen] As pointed out in the communique of the 5th Plenary Session of the 13th CPC Central Committee, initial results have been achieved in the work of improving the economic environment and rectifying the economic order. Could you say something about the concrete manifestations of these results?

[Official] After about 1 year of improvement and rectification, several good, fairly remarkable trends have appeared in our country's economic operations. First, our industrial and agricultural production has continued to grow. The grain output this year is expected to break the 400-million-metric-ton mark, and hopefully the gross value of agricultural production will grow by 3 to 4 percent. The nation's gross value of industrial production for the period from January to October climbed 7.7 percent compared with last year's corresponding period. Output of energy, raw and semi-finished materials, and products of other basic industries has continued to increase.

Second, the "double swelling" of investment and need for consumption has been initially put under control. The number of new projects started during the first 10 months of this year showed a drastic reduction, while investment in fixed assets made by state-owned units during this period dropped by 15.5 billion yuan. Meanwhile, the growth rate of consumption among government institutions and public organizations nationwide declined each month; up until October, the growth of such consumption had dropped by 16 percent compared with that registered for the corresponding period last year, while the growth of the bonuses issued to staff



members and workers had shrunk by 23 percent. If inflation is taken into account, the actual reduction is more than this.

Third, the trend of inflation has been initially controlled. The rate increase in the nation's retail price level, based on the comparison between the same period for this and last year, has dropped each month—from 27 percent for January to 8.7 percent for October. The phenomenon of over-issuance of currency has also changed to a great extent. As of the end of October, the banks had withdrawn currency amounting to 1.59 billion yuan from circulation after balancing withdrawal against issuance, while at the same time last year there was a net issuance of currency in the amount of 46.5 billion yuan. All these factors indicate that the overly heated economy has begun to cool down and the once-fluctuating economic situation has gradually become stable. This is a most gratifying matter.

[Wu Shishen] As everyone can see, our country's economy has begun to extricate itself from the state of ups and downs. But new problems have now appeared, both in industry and in the market situation. Some people called these problems "effects at a certain stage" of the work of improving the economic environment and rectifying the economic order. How should this matter be understood?

[Official] Even though the work of improving the economic environment and rectifying the economic order is developing in the direction as planned, certain problems interfering with the stable and harmonious development of our national economy have not yet been radically solved. For example, there are still such old problems as the serious imbalance between the total supply and demand in society, the irrational economic structure, and the decline of economic results. Our economic life is still faced with big pressures from domestic debts, foreign debts, and surplus purchasing power, also known as the three "tigers in the cage." With the retrenchment of the economy, three new problems have also appeared during the last 2 or 3 months in the improvement of the economic environment and the rectification of the economic order: an excessive drop in industrial growth; slackness in market sales; and greater difficulty in seeking jobs in urban areas. Since the beginning of the third quarter, industrial growth has slowed down remarkably. Due to the retrenchment of demands, the market has become dull and many products cannot sell well but still have to be kept in stock. A fairly large number of enterprises are not operating at full capacity, and as a result, some staff members and workers are in a state of semi-unemployment while others need to be transferred to new jobs. In short, there has appeared an upward trend in the number of urban people requiring employment. In spite of this, we believe that the above-mentioned situations and problems are only tentative because the process of development and changes is still going on. We may say that this is an inevitable stage in the course of achieving our ultimate goal of improving the economic environment and rectifying the economic

order. [Wu Shishen] Some people say that the appearance of these new situations is an expression of the "stagflation" of our economy. Do you think so?

[Official] There are many reasons for the appearance of the above-mentioned problems in the improvement of the economic environment and the rectification of the economic order. What is needed is a concrete analysis. In the first place, this is a further exposure of the problems accumulated in the past few years. Under the circumstance of a slack market, the production efforts of those processing industries and village and town enterprises that developed too fast in the past have now been restricted, and so there has appeared a tentative downside in our industrial growth. This is inevitable. Secondly, although the policy of macroregulation and control focusing on total quantities is easy to implement and can yield quick results, it has obvious limitations because its implementation relies more on administrative measures than economic means and because economic levers such as price, investments, and loans are not used in a meticulous way, nor are sufficient distinctions made between different cases in the implementation of this policy. Our opinion is that at the initial stage of improving the economic environment and rectifying the economic order, the appearance of new problems is unavoidable. This is a matter we have expected. It is also an issue arising in the course of our advance. The question is only that such problems have shown up more quickly and to a greater extent in certain cases.

[Wu Shishen] At this moment, many people are deeply concerned about the new problems involving our economic situation. In their opinion, if no prompt measures are taken to solve these problems, the results we have achieved will gradually become invalid. According to them, the work of improving the economic environment and rectifying the economic order has entered a most crucial stage.

[Official] I agree with this view. If we say that stability is the objective of the first-stage work of improving the economic environment and rectifying the economic order, then we have now entered the second stage, the most crucial stage, which is aimed at seeking development while maintaining stability. This confronts us with a grim challenge. In order to make advances and avoid "stagflation" while maintaining stability, we must guard against the appearance of two possible trends: One is to merely seek short-term effects in the work of improving the economic environment and rectifying the economic order and simply continue to carry out the policy of macroregulation and control focusing on total quantities, which was recently put into practice in the past. The other is to overrate the temporary difficulties experienced in our economic life and ignore the control of inflation as the main objective of the improvement of the economic environment and rectification of the economic order, and therefore arbitrarily loosen the control over the money supply and give up the tightening of the total amount of money in circulation. The former can hardly solve the series of difficult problems in our

present economic life, such as the slack market, decline in industrial production, and financial difficulties. The latter will eventually follow the same old disastrous road of repeated failures in retrenchment and of overheating the economy, thus "spoiling all we have achieved" in improving the economic environment and rectifying the economic order.

The so-called "most crucial" stage means that at this point we must find a correct policy of macroregulation and control. This is a rather difficult job. In our opinion, the correct choice should be as follows: In line with the objective reality of development at the present stage of improving the economic environment and rectifying the economic order, we must make a strategic change for this stage. That is, with regard to the guidelines of the macropolicy, the focus must be changed from seeking stability to seeking development while maintaining stability. Emphasis of the improvement and rectification policy should be shifted to adjusting the economic structure and raising the economic results while paying attention to continuing the control over total quantities. It is necessary to carry out appropriate special policies as needed and deal with each case on its own merits. We must also use various economic levers in a timely manner. This will help our national economy extricate itself from the predicament, embark on the road of self-sustained development, and finally achieve the goal of improvement and rectification. [Wu Shishen] "Seeking development while maintaining stability" is a science of economic development that many people now wish to see. Could you please say something about how to go about achieving this objective for the present stage?

[Official] To achieve this objective of adjustment, we believe that we should earnestly unify the thinking and understanding of the whole party and the people throughout the country on the basis of the decision adopted by the 5th Plenary Session of the 13th CPC Central Committee on further improving the economic environment, rectifying the economic order, and deepening the reforms. In addition to that, the key task is to handle properly the relations among the three practical links of improvement and rectification, adjustment and betterment, and reform and development when dealing with the guiding ideology and doing practical work. Conscientious efforts should be devoted to the following tasks:

1. We should make a correct assessment of the situation, unremittably control total quantities, earnestly create an objective environment for leading an austere life for a few years, and cut down the excessive social demands brought about in the past few years.
2. Some activities should be guaranteed; others should be restricted. Positive and safe measures should be taken to promote economic structural adjustment and ensure a rational growth of the national economy.
3. We should make the best use of the situation and lose no time on seizing market opportunities favorable to

buyers. We should improve the quality of enterprises and raise the economic results of their operations.

4. We should further deepen the reforms and rationalize the macroeconomic operational mechanism to meet the demand for combining the planned economy with regulation by the market.

#### **Article Analyzes Economic, Technological Zones**

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No 9 89 pp 62-64

[Article by Hou Jianzhong (0186 1696 0022), edited by Tong Zetin (0157 3419 3944): "Establishment of Economic and Technological Development Zones in Inland China"]

[Text] After the coastal cities in China have been opening up to the outside world, and since special economic zones and economic and technological development zones have been established there, some inland cities in China have also begun to set up economic and technological development zones on an experimental basis in 1988. This article is to analyze the problems concerning the establishment of economic and technological development zones in inland cities, and to suggest ways to deal with the problems.

#### **I The Basis for the Establishment of Economic and Technological Development Zones in Inland Cities**

The history of the development of the economic and technological development zones in various countries over the world has illustrated that the crucial condition for the establishment of these zones, which have the main function of carrying out external trade, is their geographical location. That is why nearly all such zones are set up in coastal and border areas. Two factors should be taken into consideration for the establishment of these special economic or economic development zones that have both processing and export functions and the function of providing scientific and technological, information, and financial services: one is their geographical location; and the other is the supply of resources, raw materials and intermediate products into these zones. Also important is the capability of these zones to take into consideration the overall situation and coordinate resources. Therefore, it is possible to establish this type of special economic zones or economic development zones in inland areas. For instance, Manaus in Brazil is an example. It is some 1700 km away from the port and was established as a special economic zone in 1975. Now, it has become Brazil's industrial center of electric, electronic, watch, motor car, bicycle, and textile industries and other industries, and Brazil's export-oriented economic center concentrating on export. Belgrade in Yugoslavia, Chicago in the United States, and other areas also have successful experience in establishing special economic zones.

In the early 1980's, China began to set up special economic zones and economic and technological development zones. The unitary trading function of these special economic zones and economic development zones have been transformed and they have now entered a new development stage where they have diversified functions. Most of China's resources, raw materials, and energy, which can support the production of manufactured export goods, are concentrated in inland areas. It is natural that this pattern of resources distribution will call for the establishment of technological development zones in inland cities. In end 1986, there were 234 inland cities, amounting to 66 percent of the total number of cities, in China. Moreover, the industrial output value achieved by inland cities at that time amounted to 44 percent of the whole country's aggregate urban industrial output value. From these we can see that inland cities have occupied a significant position in China's national economy. If economic and technological development zones are only to be established in coastal areas, the development of inland cities will be constrained, and the economic development progress of the whole country will be retarded.

Over the past long period of time, China's inland cities have focused on import-oriented development, and this has already brought the result of the economy of inland cities being less developed than that of coastal cities. There is a tendency for this gap to widen. If we want to fundamentally change this situation, we have to expand the scope of opening up to the outside world. The establishing of economic and technological development zones in inland cities can provide more and direct opportunities for international exchange of products produced by inland cities. In this way, the pace of the import of technology, information, and capable personnel, and the pace of the drawing in of funds can be accelerated, and the capability of inland cities to earn foreign exchange through export can be increased. Consequently, the comprehensive acceleration of the economy of inland cities can be promoted.

## **II The Conditions for Constructing Economic and Technological Development Zones in Inland Cities**

Inland cities will encounter the following problems in establishing economic and technological development zones: 1) The geographical position of inland cities is less advantageous than that of coastal cities, and inland cities thus have relatively greater difficulty in drawing in foreign funds and in attracting foreign investors. 2) The policy offered by inland cities is less favorable than that offered by coastal cities. In 1987, the central authorities promulgated a principle of suspension and establishment to govern economic and technological development zones. That means: On the existing foundation of the economic and technological development zones of the 14 coastal cities, the scope of development of these zones will not be expanded; and the central authorities in principle will not grant approval for establishing new economic and technological development zones. At the same time, the central authorities have stressed that

various areas have to raise funds by themselves to set up development zones, and the central authorities in general will not provide funds and investment and will not offer favorable policy to any areas. In this way, it will be difficult for economic and technological development zones in inland cities to obtain favorable conditions similar to those obtained by coastal cities in four aspects. First, they will not be granted any infrastructural establishment loans, which are granted at the rate of 100 million yuan per sq. km. Second, enterprises in these zones will not be allowed to pay profit tax at the rate of 15 percent of the profits achieved. Third, enterprises there will not be completely exempted from paying import and export tax. Fourth, they are not allowed to retain 95 percent of the profits achieved by them. 3) The economic operation mechanism of inland cities is more rigid than that of coastal cities. Generally speaking, the progress of reform of coastal cities, which have been opened up to outside world in an earlier stage and have achieved good results, is good. At present, inland cities are still dominated by the traditional economic system. It is not suitable for them to open up to the outside world, and they still cannot meet the requirements of the international economic operation mechanism. 4) The establishment of economic and technological development zones in inland cities was carried out at a later stage than that of coastal cities. Most of the economic and technological development zones in inland cities were established in 1988. However, immediately following the establishment of these zones, the policy of improving the economic environment and rectifying the economic order and the policy of overall contraction were implemented. In this way, the economic and technological development zones in inland cities have to face a serious situation where they have just started to develop and they have to halt their development.

There are also many advantageous conditions for inland cities to construct economic and technological development zones. 1) They are close to large markets in China. Over a long period of time, many developed countries and international capital have attached great attention to the huge Chinese market which has a population of 1.1 billion. Since inland cities are situated in the nuclear ring of the Chinese market, they are attractive to foreign investors. 2) Inland cities are rich in resources. China's main natural resources are located in inland areas. The area of economic hinterland in inland cities is large, and many cities are rich in resources. These cities have great development potential. 3) The labor cost in inland cities is low, and is about 50 percent to 75 percent lower than that of coastal cities. 4) The urban infrastructural conditions of inland cities are good. Over the long period of time since liberation, the focus of China's economic construction has been on developing inland areas. The state has invested large amounts in inland cities, and the infrastructure of many inland cities is compatible with that of coastal cities. The infrastructure of medium, large, and extremely large inland cities is even better than of coastal cities.



### III The Present Situation and Characteristics of Economic and Technological Development Zones in Inland Cities

China has just started to work on the establishment of economic and technological development zones in inland cities. At present, there are in general the following types of development zones in China:

1. New and high technological development zones. Large cities such as Wuhan, Xian, and others have used their strong points of being strong in scientific and technological capability and being abundant in personnel supply to establish technological development zones to accelerate the development of new and high technological industries. Their aim is to build a silicon valley in inland China. For instance, there are 21 universities and colleges, 54 scientific and technological organizations, 76 industrial enterprises, and 4 state key-point laboratories in the Donghu new and high technological development zone in Wuhan, and this development zone has become a highly intellectual concentrated area next to the Zhongguancun area in Beijing. This type of development zone will become a breeding ground for and the hub of new and high technological industries.

2. Experimental zones of industrial development. The Shiyan City in Hubei used the strong point that the Second Automobile Factory is established there to form the first experimental automobile development zone in China. At present, this experimental zone has the most modern automatic automobile production line in China, has established automobile universities and colleges, and has automobile technological development centers.

3. Experimental development zones of reform and opening up to the outside world. Experimental development zones of reform and opening up to the outside world have been established in inland cities such as Ezhou, Shashi, Huangshi, Jiujiang, Hengyang, Chenzhou, Leyang, and other cities. Among all the development zones established in inland cities, most belong to this type of inland development zones.

4. Poor economic development zones. This type of development zone has been established in the Gannang region of Jiangxi and the Dabieshan area of Hubei. Ganzhou, Jinggangshan, Hungshi, and other cities also belong to part of these development zones. Through the establishment of development zones, the rate of exploration and development of resources has been accelerated, and poor areas have been able to throw off poverty.

When compared with the economic and technological development zones in coastal cities, those in inland cities at present have the following characteristics: First, the area of the development zones in inland cities is large. The area of an economic and technological development zone in coastal cities in general does not exceed the area of 0.3 to 3 sq. km, and the largest development zone, the Guangzhou economic and technological development zone, has only an area of 9 sq. km. The area of an economic and technological development zone in inland

cities in general is larger than this area. For instance, the area of the Donghu new technological development zone in the city of Wuhan is 43 sq. km, and the economic and technological development zones in Shiyan, Huangshi, Shashi, Ezhou, Jiujiang, Hengyang, Chenzhou, and other cities cover the total area of these cities. The area of a poor economic development zone is even larger than the area of the city it belongs to by several hundred percent or by several thousand percent. Second, this type of development zone has diversified functions. The development zones in inland cities in general are comprehensive development zones that have full functions. They in general emphasize both renovation and supplementary development, combine industry with trade, and have the functions of reform, opening up to the outside world, development, and experiment. Third, these types of development zones raise funds by themselves to develop and reform themselves. Various cities do not wait for and do not depend on funds allocated by the government, and they will raise funds by themselves to develop themselves. They have implemented some favorable policies, which are less favorable than those implemented in coastal cities, within the scope of their authority, and have invested a substantial amount of funds. Fourth, the economic and technological development zones in inland cities are closely cooperating with urban construction and development. The characteristics mentioned above, the situation of improving the economic environment and rectifying economic order, and the situation of all-round contraction have brought the result of the economic and technological development zones in inland areas both having good development prospects in the future and difficult situations at the present, and both the feasibility of achieving success and the possibility of ending up with failure. The current urgent task is to clearly define the guiding ideology, to readjust policy measure, and to work out a new method of setting up economic and technological development zones with the characteristics of inland cities.

### IV The Ways for Constructing Economic and Technological Development Zones in Inland Cities

1. The guiding ideology for establishing economic and technological development zones in inland cities should be further put right.

First, the minds should be emancipated. The understanding that the establishment of economic and technological development zones in inland cities is the precondition for accelerating the economic development of inland cities and for further expanding the scope of opening up to the outside world should be enhanced. The establishment of economic and technological development zones is the successful experience of coastal areas and newly developed industrial countries. The inland cities in China will sooner or later achieve the same success. After the economy has been improved and economic order has been rectified, economic and technological development zones in China will surely achieve great development. Inland cities should prepare in advance, and should not miss the opportunity.

Second, the consideration of using the excuse of establishing development zones to ask for investment funds, favorable treatments, expanding the scale of basic construction, and building large buildings, hotels, and restaurants should be resolutely banned. Third, the direction for establishing economic and technological development zones should be put right, the development zones should focus on attracting foreign investors and on drawing in foreign funds, and the zones should face both the international and domestic markets.

2. On the scale of the establishment of development zones, the principle of development should be upheld, targets that can be achieved should be set, and breakthroughs at key points should be obtained.

Inland cities raised funds by themselves to set up development zones. They lack funds, and the scope covered by their favorable policy is also limited. Therefore, steady steps should be taken, and we should not aim at following current trends and pursuing fame. Moreover, the problems of setting up too many development zones, of the development zones covering too large an area, and of aiming at enabling the zones to have too many functions, all of which emerged in the previous period, should be appropriately handled. The macroeconomic regulation on the establishment of economic and technological development zones should also be handled well.

3. The measure of exchanging resources for funds and exchanging markets for technology should be taken, and more favorable and flexible policies and measures should be adopted to attract foreign investors and to cooperate with foreign investors in setting up development zones.

At present, the favorable policy offered by China on development zones is mainly on the aspects of taxation and the fees for use of land. However, the scope covered by the favorable policy on these two aspects is limited. Therefore, inland cities should give full play to their strong points of being rich in resources, and of being part of the domestic market of China, and should vigorously develop the export of primary goods, and should exchange resources for funds. At the same time, the proportion of products to be sold in the domestic market should be increased, and part of the domestic market should be opened to the outside world to exchange market for technology. This policy will be more attractive than the policy of reducing tax rates and of the cheap wage rate and fees for using land. Apart from these, land can also be leased to foreign investors on a long-term basis, and inland cities can cooperate with foreign investors and can use the funds of foreign investors to establish development zones.

4. The establishment of development zones should be combined with technological renovation, and the large and medium-sized enterprises in inland cities should be enlivened.

In a considerably long period since the establishment of the New China, the focus of China's economic construction has been placed on inland areas. As a result, inland cities have kept a considerable reserve volume of fixed industrial assets. Many large and medium-sized enterprises in inland cities are bigger than some of the economic and technological development zones in coastal cities. However, due to lack of funds for technological renovation, these enterprises have not been able to achieve great success. Therefore, the establishment of development zones should combined with technological renovation, so as to invigorate enterprises. For instance, according to needs and feasibility, some enterprises can associate with foreign multinational companies and become their subsidiaries. Besides, part of the shares of these enterprises can be sold to foreign parties, and enterprises can be managed in accordance with the policy of "one factory two systems." Moreover, enterprises can even be sold to foreign investors. In this way, funds can be secured for the establishment of development zones, large and medium-sized enterprises can be enlivened, and the funds obtained can be used to invigorate other enterprises.

5. According to the needs of the distribution of the state's productive forces, the opportunity for constructing large-scale key projects should be grasped, and development zones for particular projects should be established.

With the continuous development of the economy, it is inevitable that the state will have to carry out some large-scale construction in inland areas. Inland cities can grasp this opportunity to set up development zones for particular projects. For instance, in order to meet the needs of the second automobile factory in producing 300,000 cars, Wuhan City and Xiangfan City are preparing for setting up automobile industrial development zones. At the same time, development zones for particular construction projects can be established. That means that in the period when the construction projects are being carried out, favorable policy should be offered, while the implementation of normal policy can be resumed when the projects are completed. The setting up of development zones for particular projects can obtain investment funds allocated by the state, and these development zones will be able to enjoy favorable state policies. Moreover, they are also attractive to foreign investors.

6. To give full play to the role of the infrastructure of inland cities.

In choosing the location of development zones, the real situation of inland cities should first be considered, and development zones should be established on the basis of original foundation by using favorable conditions. In general, it is not suitable to establish development zones on areas that are not developed. In cases where new areas should be really developed, development zones should be established on areas that are easy to be reached by ordinary transportation and have flat land. Moreover, these areas should also have good supply of water,

electricity, gas, and good communication conditions. This is to reduce investment in infrastructural construction and to promote development zones to achieve certain scale and results as soon as possible.

### **Jiang Zemin, Li Peng Receive Conference Guests**

#### **Jiang Views Agriculture**

*OW0212173889 Beijing Domestic Service in Mandarin  
1030 GMT 2 Dec 89*

[From the "National Hookup" program]

[Text] Yesterday afternoon, Jiang Zemin, general secretary of the CPC Central Committee, and Li Peng, premier of the State Council, warmly received comrades heading groups from the provinces, municipalities, autonomous regions, and cities with independent economic decision-making authority who are attending the national experience-exchange meeting on the comprehensive development of agriculture. The reception took place at the Huairan Hall in Zhongnanhai. Jiang Zemin and Li Peng heard reports and made important speeches on China's rural work and problems relating to agricultural development.

The purpose of this important meeting, sponsored by the State Council, was mainly to implement the guidelines of the 5th Plenary Session of the CPC Central Committee, sum up and exchange experiences on the comprehensive development of agriculture in the whole country, and study ways to improve the ongoing comprehensive agricultural development even better. The meeting, according to the guidelines set by the 5th Plenary Session of the CPC Central Committee, was to discuss and make arrangement for next year's rural work.

The speech of Comrade Jiang Zemin was divided into four points. First, we should sum up experiences, raise understanding, and firmly establish the guiding thought of agriculture as the basis for the national economy. In the last decade, we scored universally acknowledged achievements in rural reform and construction. However, in the last five years, there had been serious stagnation in the production of major agricultural products like grain and cotton. Comrade Deng Xiaoping called this problem to our attention long ago. He said: If something is wrong with agriculture, then it will take years to recover. Back in 1985, Comrade Chen Yun also called this problem to our attention. He said: There will be no stability without agriculture; without grain, there will be chaos. However, the whole party has not given proper attention to these remarks. The current problem is that we should earnestly sum up experience, affirm the results, draw lessons, find solutions, and strengthen our conviction to forge ahead. The agricultural problem is not only a big economic issue, but also a major political issue. Without the development of agriculture, there will be no sustained, stable and balanced development in the national economy. If there is no stability in rural areas, it will be hard to achieve stability in the whole country and

society. We should, taking this high plane of view, understand agriculture, stress agriculture, and strengthen agriculture and agricultural work. The purpose of summing up experiences and raising understanding is to solidly establish the idea throughout the whole party and in the whole country that agriculture is the guiding thought of the foundation of the national economy, and to make the whole party and the whole country adhere to the idea that agriculture is the guiding thought of the foundation of the national economy. We should truly implement this guiding thought in our practical work. We must never let ourselves be shaken from this guiding thought.

Second, the whole party and the whole country should truly mobilize and use concerted efforts to achieve a new breakthrough in agricultural development. In order to achieve a new breakthrough or ascend to a new level within a short period, it is necessary to end the present stagnation as quickly as possible. Our goal is to reach 850 billion to 900 billion jin in grain production and 90 million to 100 million dan in cotton production. In order to achieve this goal, we are faced with great difficulties and arduous tasks. We must fully understand this situation. The situation calls on the whole party and whole country to create a great surge of effort in truly attaching importance to agriculture, supporting agriculture and developing agriculture. In particular, we should understand that the development of agriculture is related to various departments and fronts. Therefore, agricultural development is not merely a task of agricultural departments, but an undertaking which must be done jointly by the whole party, the whole country and all departments. Agricultural departments should naturally pay attention to promoting agricultural development, while other departments should also attach great importance to this work. All departments must consciously take action and work with concerted efforts in close coordination. We should make sure that we do not blame each other and shift responsibility onto others, but instead have mutual-understanding and support for each other.

To get mobilized in the true sense is not just to stop at words, meetings and general calls. We must truly and effectively solve the numerous actual problems and firmly grasp the implementation of various tasks.

We should pay particular attention to working hard in the following three areas: First, insure the stable implementation of the contract responsibility system, further improve the contract responsibility system, and promote the development of an appropriate scale of operation in places with good conditions and various service systems. Second, grasp the promotion and application of agricultural science and technology. There are great potentials in this area. Comrade Deng Xiaoping has said that science may solve these problems in the end. We should all expend great efforts in this work. Third, pay attention to making investments in agriculture so as to strengthen the aftereffects. The central authorities should increase certain investments, and various localities should also use their financial power to increase investment. In the



past several years, the peasants' incomes have increased in a relatively fast manner. We should guide peasants to make greater investments. In particular, we should guide peasants to increase their investment of labor. During this winter and next spring, we should generate an upsurge in building water conservancy works. Of course, we should also pay attention to their economic results and the quality of construction work.

Third, it is necessary to step up our efforts in studying some major issues relating to agriculture and rural work. In order to increase agricultural production, we need to work hard for a protracted period and study and resolve many major issues. In addition to the aforementioned tasks in stabilizing and improving the contracted responsibility system, developing intensive agricultural management on a fairly large scale, strengthening the work in the field of science and technology in the countryside, and increasing investments in agriculture, we still need to delve deeper earnestly and systematically and study various issues on how to develop agriculture in a comprehensive way; how to increase gradually the collective economic strength in rural areas; how to readjust, consolidate, transform and improve village and township enterprises; how to protect and rationally use cultivated land; how to strengthen rural education and population control; how to improve rural public order; how to develop rural spiritual civilization further; how to strengthen rural basic-level party organizations and basic-level political power; how to raise efficiency and improve management in doing political, economic, and administrative work; and how to work out unified plans for agricultural development. Whether we do a good job in studying and resolving these issues will directly affect the steady development of agriculture and the entire progress in developing the various undertakings in the rural areas.

The party committees and relevant departments in various localities must mobilize all their forces to conduct in-depth investigations. On the basis of their comprehensive reference materials, they should carry out scientific analysis and repeated verification to come up with some achievements in doing their research work.

Fourth, to increase agricultural production, the cadres must go and work in lower-level units. It is necessary to improve the work style of the leadership and firmly strengthen our leadership over rural work. The cadres at all levels, including leading cadres, must go to rural areas on a regular basis to understand the rural situation, become the peasants' bosom friends, listen to their views, share their weal and woe, and join them in working out measures to solve their problems. This is our party's fine tradition and our reliable guarantee to doing rural work well.

In the past several years, cadres in many localities and departments, particularly those leading cadres, have cut their time spent visiting rural areas and increased time spent giving orders and instructions at the higher level. They have reduced their actual assistance to the masses

of peasants. It will be very dangerous if we do not correct this situation. Recently, this situation has changed somewhat. Leading cadres at various levels in many provinces, municipalities, and autonomous regions have taken the lead in going to rural areas. Some of them even have gone to the work sites of water conservancy projects to take part in labor alongside the masses. Some provinces have decided to dispatch a large number of cadres to rural areas during this winter and next spring to carry out investigation and study, to help peasants in various work and to conduct education in socialism. In this way, things will turn out to be all right. It is hoped that various localities and departments would all act in the same way and persist in doing so.

When cadres truly go down to the grass-roots level, the masses' complaints can be dissolved more easily. In particular, leading cadres at the prefectural and county levels should concentrate their efforts and emphasize grasping agricultural production and rural work. They should promptly study the various agricultural policies of the party and the government and also study new experiences and problems in implementing those policies. They should sum up and promote good experiences, conscientiously solve existing problems, and put forward new suggestions for policy making. This is also our old tradition. History has proved that this is a correct way and we must persist in this manner.

#### Li on Comprehensive Development

OW0212194489 Beijing Domestic Service in Mandarin  
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[From the "National Hookup" program]

[Text] Premier Li Peng made a speech yesterday when receiving comrades heading groups from the provinces, municipalities, autonomous regions, and cities with independent economic decision-making authority who are attending the national experience-exchange meeting on the comprehensive development of agriculture.

Comrade Li Peng said: The comprehensive development of agriculture is the way for agricultural development. It encompasses not only the exploitation of new resources, but also the transformation of medium- and low-yield fields to raise their output per unit area. All localities should pursue both at the same time by taking measures suited to their respective conditions.

Referring to our agriculture, Li Peng said: Despite the serious drought in the northeast, the harvest this year is still somewhat better than last year with a total grain output of 810 billion jin. This indicates that if the whole party pays attention to agriculture and adopts effective measures, we can accomplish much in this area. This has increased our confidence in developing agriculture and has contributed to the stable development of agriculture for this and the coming year. With grain in hand, there is no anxiety in the heart. We value highly and appreciate very much the efforts and contributions made by peasants and comrades at all levels engaged in agriculture.

Li Peng said: It is an old saying that agricultural development depends first on policy, second on science and technology, and third on input. We should repeat this old saying, but give it a fresh meaning. It is necessary to stabilize the household contract responsibility system that links remuneration to output, keep it unchanged, and continue to implement it. This is a major step in protecting the peasants' initiative. However, this will still be insufficient if we remain at the present level and merely rely on the household contract responsibility system linking remuneration to output to bring our agriculture to a new stage. At this moment, it is feasible to practice the double-operation system where conditions permit. The establishment and development of the service system depends on the support and organizational work of departments of political power at various levels. Party committees and governments at all levels should give sufficient attention and guidance in this regard. A combination of the superiority of the service system and the initiative of the peasants will play a greater role. This service system is aimed at serving the peasants. Hence, they are sure to welcome it.

Touching on the question of village and town enterprises and individually operated industry and commerce in rural areas, Li Peng said: We should protect those operating legally and restrict and ban illegal operations. The policy of appropriate development of village and town enterprises should be affirmed. Village and town enterprises have increased the peasants' economic income, provided jobs for surplus labor in the countryside, and contributed wealth to the state. We should guide village and town enterprises in line with the state's industrial policy and support them as necessary. With the state curtailing the capital construction scale, some civilian workers have returned to their native homes in the countryside. All localities should do good organizational work and make proper arrangements so as to mobilize them to work on capital construction of farmland and water conservancy projects and engage them in intensive and meticulous farming.

Li Peng pointed out: Popularizing the application of agricultural science and technology is a big question. We have a number of very good scientific research results that are relatively ripe and fit for China's national conditions. However, many of them remain in laboratories or on experimental plots. To popularize the application of agricultural science and technology, we should, first, solve the question of input; second, solve the question of sending agricultural science and technology work contingents deep into the countryside; and, third, educate and train the peasants in science and technology. Rural education must include vocational education in agriculture. Only in this way will it be possible to

consolidate and develop rural education and promote the popularization of agricultural technology.

Li Peng said: Everyone is deeply concerned about the question of input into agriculture. Input depends on effort from all sides. It encompasses input from the government, society, and the masses of peasants, including input in the form of peasant labor. The input from the masses of peasants is the main input. All economic policies—such as the pricing, taxation, and loan policies—should play a guiding role in this regard; that is, they should guide the peasants to generate more input. Next year the central authorities will try to increase to some extent the investment in agriculture, which will be used mainly in harnessing large rivers, building large water conservancy construction projects and agriculture-oriented industries, and defraying the startup fees for agricultural development projects involving large tracts of land.

Li Peng said: The lifeblood of China's agriculture is irrigation. All agricultural development areas should be connected with the work of water conservancy. Without solving the water problem, agricultural development is out of the question. On the one hand, we should open new water sources. On the other hand, we should develop water-saving agriculture. Water-saving agriculture requires less input, gives quick results, and has very great potential. In addition, attention should be paid to the scientific method for the application of fertilizers. It is necessary to apply more farmyard manure and use crop stalks as fertilizer to restore and maintain land fertility.

Li Peng stressed: All professions and trades should support agriculture. These include material, financial, and coal- and power-supply departments. Production of chemical fertilizers is in a fine situation this year. Exclusive control over means of agricultural production has more benefits than disadvantages, as can be seen from the results of implementing this system since last year. Such exclusive control should be resolutely continued, but efforts should be made to perfect the system. It is necessary to further improve the service system for the convenience of peasants.

The report meeting was presided over by Tian Jiyun, vice premier of the State Council.

State Councillor Chen Junsheng reported on the basic aspects of this meeting and the work of comprehensive agricultural development in the whole country, as well as on several main problems revealed at the meeting. Speeches were also made by comrades heading the groups from Hebei, Shanxi, Shandong, and Henan Provinces.

Leading comrades from the concerned departments of the State Council also attended the report meeting.

### East Region

#### Anhui Province Cuts Capital Construction Scale

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6 Nov 89 p 1

[By Deng Anping (6772 1344 1627)]

[Excerpts] Since the beginning of this year, local governments at various levels in Anhui have actively implemented the principle of improving the economic environment and rectifying economic order by cutting the scale of capital construction while ensuring the construction of key projects. As a result, in the first 9 months, investment in fixed assets by state-owned units in various localities decreased by 27.8 percent over the same period last year, while investment by collectively owned units dropped by 52.1 percent and investment by private owned sectors in rural and urban areas, by 41.5 percent. At the same time, all localities have done everything possible to ensure the construction of key projects, thereby completing 58.2 percent of the annual investment plan for the 25 key projects under evaluation in the first 9 months. [passage omitted]

A recent provincial forum on capital construction pointed out: In spite of the progress in fixed asset investment, much remains to be done in order to thoroughly eliminate chaos in economic life. Following are the main tasks:

First, it is necessary to go all out to ensure the completion of this year's construction plan, which includes mostly productive, educational, and water conservancy projects. Second, all localities and departments should enhance their awareness strictly according to the guidelines of the speeches made by Governor Fu Xishou and Vice Governor Shao Ming at a recent meeting of the provincial leading group on screening the projects under construction, continuing to pay close attention to screening projects already under construction, and controlling the investment scale of capital construction. At the same time, efforts should be made to properly handle problems arising from the suspension of some construction projects. Third, it is necessary to continue to strictly control the construction of new projects. No other projects should be started within this year except for educational and housing projects as well as energy, transportation, agricultural, forestry, water conservancy, and infrastructural projects, which are designated by the state. Fourth, it is necessary to make relentless efforts to practice economy and combat waste so as to make the best use of the limited funds for producing optimal investment returns.

#### Shandong Conference Relays Plenum Spirit

SK1811080189 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 14 Nov 89

[Excerpts] On the afternoon of 14 November, the provincial level organs sponsored at the Zhenzhuquan Auditorium a meeting with the participation of party-member cadres at or above the section level, relaying the

spirit of the 5th Plenary Session of the 13th CPC Central Committee and of the work conference of the Central CPC Committee.

(Qian Jun), deputy secretary general of the provincial party committee, presided over the meeting. Comrades, including (Yu Qiubao), secretary general of the provincial people's government and secretary of the work committee under the provincial level organs, delivered reports at the meeting on relaying the documents adopted at the fifth plenary session and the important speeches of central leading comrades.

In concluding the meeting, Ma Zhongcai, member of the provincial party Standing Committee and secretary general of the provincial party committee, delivered a speech in which he put forward the following specific opinions and demands for studying and implementing the spirit the fifth plenary session:

1. Efforts should be made to earnestly organize the masses to relay, study, and discuss the documents adopted at the fifth plenary session. While successfully having the backbone leading personnel study the central documents, a good job should be done in organizing the broad masses of party members, cadres, staff members, and workers to study and discuss these documents so as to unite their ideology with the spirit of the fifth plenary session.
2. Efforts should be made to deeply master the spirit of the fifth plenary session so as to upgrade understanding, to unify thinking, and to act in unison politically with the CPC Central Committee. [passage omitted]
3. Efforts should be made to enhance the ideological and political work and to consolidate or develop a political situation of stability and unity.
4. The provincial level organs should take the lead in successfully studying the documents adopted at the fifth plenary session and set examples for various cities and prefectures in this regard. [passage omitted]
5. By regarding as guidance the spirit of the fifth plenary session, efforts should be made to earnestly carry out investigation and study; to analyze the situation in one's department; and to put forward plans, opinions, and measures for improving the economic environment, rectifying economic order, and deepening the reform drive so as to improve the current work in various fields to a better extent.

In concluding his speech, Ma Zhongcai stressed that relaying and implementing the spirit of the fifth plenary session constitutes a big event at present. Various departments and units must enhance their leadership over study, do a good job in organizing organs to study and discuss the documents adopted at the fifth plenary session, and unify thinking and understanding to bring



cadres' enthusiasm into play and to make new contributions to maintaining stability and unity and having the economy achieve great development throughout the province.

### **Shandong Secretary Visits Drought-Stricken Village**

*SK2611052589 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 24 Nov 89*

[Excerpts] At around 1500 on 24 November, Jiang Chunyun, secretary of the provincial party committee, went to (Nanyu) Village of (Zhongping) Township of Zibo City in a simple car and with few people accompanying him. He went there to particularly visit the people of the mountainous area hit by serious drought.

After many successive years of drought, Zibo City this year again encountered a catastrophic drought rarely seen in its history. The annual precipitation was less than 50 percent of that in normal years. In its mountainous areas, production of wheat and autumn grain declined to a serious extent, and some fields even yielded nothing. Comrade Jiang Chunyun was deeply concerned about this. How was the people's life, and did they have enough water and grain? With these questions, he traveled to the remote mountainous (Nanyu) village which had been heavily stricken by the disaster.

As soon as he got out of the car, Jiang Chunyun walked along a rugged road to the home of (Zhang Daoxiong), an elderly man. Holding (Zhang Daoxiong's) hands, he asked how many members he had in his family, how his life was, and whether he had sufficient grain and water. (Zhang Daoxiong) laughed and said that he had no problem with his three-member family's living. [passage omitted]

Jiang Chunyun walked into (Zhang Daoxiong's) house to look around. When he saw a pile of pancakes in the cupboard, he took a piece and asked (Zhang Daoxiong) happily if he had such food every day. Pointing at a big package of noodles hanging on the wall, (Zhang Daoxiong) said that he also had corn and wheat. Outside the house, (Zhang Daoxiong) again pointed at the three new brick rooms, and said that he had built new rooms despite the serious disaster. Jiang Chunyun smiled when he saw the characters reading Great Luck for New Home written on the door of the new rooms.

After visiting (Zhang Daoxiong's) home, Jiang Chunyun again walked along a winding road to the homes of (Zhang Yulan) and (Si Jilin). These two households were famous for their lack of grain and money. (Zhang Yulan) and (Si Jilin) who were working outside their homes hurried home. Jiang Chunyun asked them if they had enough food. (Zhang Yulan) said that thanks to the party and government, he no longer suffered from hunger and cold. Jiang Chunyun asked again if they still had to allay hunger with wild herbs. (Si Jilin) answered no, saying that he had cabbage to eat, but that was not because of a lack of grain. Jiang Chunyun said to them with deep feeling: Your living standard is still low. However, the

difficulties are temporary. With the party and government, and with the socialist system, we will be able to overcome difficulties. You may set your minds at rest.

At a crossroads in the village, Jiang Chunyun saw a bulletin board on which were namelists of the households (which had received relief materials). Jiang Chunyun said to the village cadres beside him that relief work should be made public to enable the masses to understand and set their minds at rest. A village cadre told Jiang Chunyun: Relief grain, totaling 60,000 jin, was distributed on two occasions after the autumn harvest, and the per capita amount was more than 60 kg. Grain for the spring festival period has also been prepared. (Wheat growers) will have no problem with their living next year.

After hearing this, the disaster relief work of other mountainous areas came to the mind of Secretary Jiang Chunyun. When the secretary of the Zibo City party committee and also mayor of the city, who accompanied Jiang Chunyun during the trip, gave a report on Zibo City's efforts to make proper arrangements for the people's life in the 23 disaster-stricken mountainous towns and townships by encouraging the rich to help the poor, encouraging the urban areas to lead the rural areas, and encouraging both urban and rural areas to assist each other, raise funds, and donate grain. Jiang Chunyun exhorted the city leaders: You have reduced the serious damage to the minimum in the year of serious drought. Our party and government should show concern for the people's life and solve more difficulties and carry out more practical and beneficial work for them.

Jiang Chunyun said: Facts here once again proved that only the socialist system can give the people the ability to combat serious natural disasters, and only the socialist system can make it possible for the people to lead a secure and happy life in the year of serious disasters.

When Jiang Chunyun was about to leave, the people of the village stood around his car to try to shake hands with him. Some of them had tears in their eyes.

### **Shandong Hosts Military Region Plenum**

*SK2611083089 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 24 Nov 89*

[Text] The third enlarged plenary session of the sixth party committee of the Jinan Military Region concluded on the afternoon of 23 November. How to guard against peaceful evolution and maintain the nature of our Army was an important subject of study at the session. Through study and discussions, the participants came to see clearly that the international imperialist powers are bent on subjugating our country, and have not changed their strategy of carrying out peaceful evolution toward our country. We should remain highly vigilant against peaceful evolution, and never take it lightly. We should regard prevention of peaceful evolution as an important, basic, and long-term task, and carry it out.

The participating comrades held: To guard against peaceful evolution, we should, first, achieve good results in the education on adherence to the four cardinal principles and opposition to bourgeois liberalization. We should educate cadres and soldiers to correctly treat the mistakes committed by the party in some work, and the negative and corrupt phenomena within the party, so that they can have more confidence in and cherish more love for the party. We should educate cadres and soldiers to correctly treat the difficulties and setbacks in the development of socialism, to firmly believe that only socialism can save China, to correctly understand the situation of the country, to clearly understand that the system of socialist democracy of our country is advanced and the process of developing democracy is arduous, to foster a proletarian outlook on world and life, and to take the initiative in developing the spirit of selfless devotion and hard struggle. Second, we should uphold the principles for and the militancy of ideological and political work, take a clear-cut stand to publicize Marxism-Leninism-Mao Zedong Thought, and boldly stress lofty ideas and faith so that the masses of officers and men will have a strong spiritual pillar. Third, we should fully understand that the ideological field is the major battleground for the struggle between peaceful evolution and counter-peaceful evolution; and lead the Army to study well by reading, to learn from the advanced, to combat corruption, and to launch extensive and in-depth activities in learning from Comrade [words indistinct] and guardians of the republic, so that advanced ideas can occupy the ideological and cultural fronts, and more people of the new generation who have lofty ideals and moral characters and who are better educated and well-disciplined can be brought up. Fourth, we should strengthen guidance in the cultural work of the Army, extensively carry out healthy and beneficial recreational and sports activities, clean up books, periodicals, and video and audio products, resolutely block the channels through which numerous things to poison the people's minds flow in, and strictly ban the spread of the books that advocate bourgeois liberalization and obscene things, so as to purify the cultural environment of the Army and mould the revolutionary values of cadres and soldiers.

Song Qingwei, secretary of the party committee of the Jinan Military Region, spoke at the session. Li Jiulong, deputy secretary of the party committee of the Jinan Military Region, presided over the session.

#### **Shandong Leaders Attend Water Project Completion**

SK2611053989 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 25 Nov 89

[Excerpts] On 25 November at the (Wanglu) pump station, the provincial party committee and government held a grand ceremony to celebrate the successful beginning of diversion of water from Huang He to support Qingdao and a meeting to commend the advanced units that had made contributions to the construction of the project to divert Huang He water to support Qingdao.

Attending to extend congratulations were Gu Mu, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC]; Yang Zhenhuai, minister of water resources; and Shandong provincial party, government, and Army leaders, including Jiang Chunyun, Ma Zhongchen, Zhao Shihao, Liang Buting, Li Zhen, Lu Maozeng, Su Yiran, Li Chunting, Liu Peng, Lu Hong, Wang Shufang, and Wang Lequan.

Li Peng, member of the Standing Committee of the Political Bureau of the CPC Central Committee and premier of the State Council, wrote an inscription for the project reading: A project that benefits the people. The State Council, Wan Li, chairman of the Standing Committee of the National People's Congress, and Qian Zhengying, vice chairman of the national CPPCC committee, extended warm congratulations on the completion of the project and beginning of the water diversion through telegrams and telephone calls.

The project is a key construction project of the state for the seventh 5-Year Plan period and also the largest water conservancy and municipal administration project of Shandong Province. The project starts at a Huang He water diversion sluice gate in Boxing County and runs through 10 counties, cities, and districts of Boxing, Guangrao, Shouguang, Hanting, Changyi, Gaomi, Pingdu, Jiaozhou, Jimo and Laoshan, totaling more than 290 km in length. More than 450 grit chambers, water diverting rivers, pump stations, siphons, bridges, culverts, sluice gates, and reservoirs were built for the project, which is so far the longest interriver water diverting project of the country. [passage omitted]

This project is able to supply 120 million cubic meters of water to Qingdao City every year and 300,000 tons of clean water to the city proper every day. The water crisis of Qingdao City will be by and large solved. In addition, in normal years, it is able to supply water to the areas along the project where the fluorine content of water is high and where water is lacking, helping to resolve the difficulty in supplying water to 610,000 people. It is also able to provide more than 60 million cubic meters of water for irrigation, thus having a great significance in the economic development of Qingdao City as well as the province.

The ribbon-cutting ceremony marking the beginning of water diversion held on the morning of 25 November was presided over by Jiang Chunyun, secretary of the provincial party committee. On behalf of the provincial party committee and government, he extended heartfelt thanks to the relevant units, departments, and officers and men of the Liberation Army that had shown concern for and supported the construction of the project and saluted the cadres and masses who had made significant contributions to the construction. Amid a warm atmosphere, Gu Mu, Yang Zhenhuai, Liang Buting, and Su Yiran cut the ribbon.

Ma Zhongchen presided over the commendatory meeting held in the afternoon. Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, spoke at the meeting. [passage omitted]

#### Shanghai Development Zone Seeks Foreign Investment

OW2611123089 Beijing XINHUA in English  
1216 GMT 26 Nov 89

[Text] Beijing, November 26 (XINHUA)—The Shanghai Hongqiao Economic and Technological Development Zone in the west part of Shanghai has tried by every means to attract foreign investment to establish a new foreign trade center, "CHINA DAILY" reports today.

According to the paper, in the second half of the year, the Crow International Trade and Products Exhibition Center of the USA signed a letter of intent with the Shanghai Hongqiao United Development Co Ltd, which has been in charge of the development and preparation work of the zone, to set up a similar center in the zone.

The project will cover 280,000 sq. meters and the center, once established, will allow both domestic and overseas enterprises to show their products.

The development corporation has also invested 98 million U.S. dollars to construct an international trading center in the zone which occupies 90,000 sq. meters. The project will be provided to foreign commercial organizations to set up offices.

The Hongqiao Economic and Technological Development Zone, occupying an area of 65.2 hectares, was designed to attract foreign investment for the construction of office buildings and hotels.

Though eyed as the smallest economic zone in China, it attracted 620 million U.S. dollars in overseas investment in 1985 and 1986, perhaps the largest figure for economic zones in the country.

#### Reportage on Zhejiang Economic Crime

##### Speculators Sentenced, Executed

OW0412050489 Beijing XINHUA Domestic Service  
in Chinese 0115 GMT 1 Dec 89

[By correspondent Ding Weiqiang (0002 5898 1730)]

[Text] Hangzhou, 1 Dec (XINHUA)—Li Qifeng, a felon engaged in speculative and profiteering activities through the sponsoring of "private banking cooperatives" [hui 2585], was shot in Leqing County, Zhejiang, yesterday.

A "private banking cooperative" is an illegal form of speculative undertaking meant for reaping windfall profits, using high interest rates to lure large numbers of members and enormous amounts of ready cash. Since 1985 the "private banking cooperatives" have been very

popular in Wenzhou City, seriously jeopardizing the city's economic and public order. Li Qifeng, the culprit, was the largest "cooperative" sponsor in Leqing County in Wenzhou City, Zhejiang. Since December 1985, he lured more than 1,450 cooperative members in Leqing County and Lucheng District in Wenzhou, as well as in Pingyang and Yuhuan Counties. From these members he collected a total of 158 million yuan and paid them a total of 118 million yuan, and so a total of 276 million yuan were involved. With this revenue, criminal Li purchased large quantities of high-class furniture and electrical appliances, and build a high-class villa. His misconduct seriously disturbed the state's financial market, inflicted direct financial losses of more than 180,000 yuan on the masses, and seriously destabilized the public order. After his "cooperatives" collapsed in March 1986, many incidents of kidnapping and suicide happened among the "members," resulting in the unnatural death of six people. Furthermore, Li bribed a man by paying him 7,000 yuan to defend his speculative activities.

Also sentenced yesterday were Zheng Lefen, the No 2 sponsor of the "private cooperatives," and her husband, Cai Shengnan. From 1985 to March 1986, these two accessories collected 62 million yuan from their financial speculative activities. During the first trial at the Wenzhou City Intermediate Court, Zheng was given the death sentence and Cai was given a life sentence. Both were deprived of political rights for life.

#### Death Sentence Given

HK0312231289 Hong Kong AFP in English  
2258 GMT 3 Dec 89

[Text] Beijing, Dec 4 (AFP)—A court in China's coastal Zhejiang Province sentenced a retired Chinese woman cadre to death for taking 180,000 yuan (48,000 dollars) in bribes, the province's daily reported.

Li Tianmin, a former cadre in a trading company also found guilty of offering bribes, was sentenced on November 25 by the people's intermediate court in the city of Jinhua, the paper said.

"Having confessed her crimes and returning the money and goods she obtained illegally," Mrs Li was given the death sentence, suspended for two years so that she might repent, the paper dated November 29 and received here Sunday said.

The report comes amid a nationwide campaign against corruption and the abuse of privilege by officials, one of the main grievances during the brief pro-democracy movement crushed here in June.



## Central-South Region

### Henan Raises Nonirrigated Farmland Grain Output

OW0412060489 Beijing XINHUA in English  
1436 GMT 3 Dec 89

[Text] Zhengzhou, December 3 (XINHUA)—Total grain output of nonirrigated farmland in Henan Province reached 10.56 billion kg this year, 1.19 billion kg or 12.7 percent more than last year.

This stems from the provincial government's attention to agriculture.

There are 2.5 million ha of nonirrigated farmland in Henan, accounting for 36.5 percent of the province's total. It concentrates on the rolling ground west of the Beijing-Guangzhou Railway line.

In 1984, the provincial government designated 72,000 hectares of farmland in 5 counties as experimental centers for dry agriculture.

As a result, the agricultural total output value in the areas increased 1.29 times after 2 years' research and the per capita income of farmers rose by 100 yuan.

Over the past few years, the provincial government invested a total of 13 million yuan to improve the ecological environment and control soil erosion.

The province afforested 240,000 hectares, grew grass on 6,400 hectares, and built 73,000 hectares of terraced fields during the period.

### Hubei CPC Committee Plenary Session Ends

HK2711141689 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 25 Nov 89

[Excerpts] The Fourth Enlarged Plenary Session of the Fifth Hubei Provincial CPC Committee was held in Wuchang between 20 and 25 November 1989.

The session listened to and implemented the essence of the 5th Plenary Session of the 13th CPC Central Committee and of the central work conference and discussed the province's plan for implementing the CPC Central Committee's decision on further improving the economic environment, straightening out the economic order, and deepening the reform.

It maintained that the 5th Plenary Session of the 13th CPC Central Committee was a meeting of significant importance, which adopted the CPC Central Committee's decision on further improving the economic environment, straightening out the economic order and deepening the reform, and decided on the new leading body of the CPC Central Committee Military Commission. All this will play a positive role in unifying the thought of the whole party, concerting the action of the whole party, promoting a sustained, stable, and harmonious economic development in our country, and maintaining long-term stability in our country.

It pledged unanimous support to all decisions adopted at the fifth plenary session.

The enlarged plenary session pointed out: To implement the party Central Committee's decisions, the first task is to unify the thought of party members and the masses of the whole province in line with the fifth plenary session spirit. It held that the achievements our province made in the 10 years since the 3d Plenary Session of the 11th CPC Central Committee are great but there are many difficulties and problems in the economic development of our province. The whole province, and people either inside or outside the party, should unify their thought in light of the spirit of the fifth plenary session to overcome the temporary difficulties emerging in the course of advance.

The session pointed out: Party and government leaders at different levels should be fully aware that the overwhelming task ahead of our country is to develop the national economy under a stable political situation. Political stability is the prerequisite and economic stability is the foundation. Either of them can be dispensed with and they promote each other. We must correctly handle the relationship between the political and the economy, all along persist in taking economic construction as the central task, adhere to the four cardinal principles, persistently carry out the reform and opening up policy, and effectively place the focus of the present economic work on the endeavor to improve the economic environment, straighten out the economic order, deepen the reform, and stabilize the economy. We should have a sober understanding of the necessity, urgency, and formidableness of economic improvement and rectification in the present economic situation. We should realize that the difficulties we are facing are the ones in the course of advance and see the favorable conditions for overcoming these difficulties and, at the same time, see the gravity of the present economic situation to strengthen the steadfastness and consciousness of carrying out economic improvement and rectification. Meanwhile, we should do away with as quickly as possible our pessimism, fear of difficulty, the idea of inertia and blind optimism, nor should we lower our guard. We should also overcome decentralization and embrace the idea of taking the overall situation into consideration. [passage omitted]

The session emphasized: We must correctly understand and handle the relationship between economic improvement and in-depth reform. The endeavor both to improve the economic environment and to deepen the reform is aimed at building a mechanism of combining the planned economy with market regulation as an effort to promote a sound economic development. We must make it clear that reform must serve the improvement and rectification of the economy, and that economic improvement and rectification also requires the coordination of the reform. The improvement and rectification of the economy not only guarantees a sound development of the economy, but also creates conditions for deepening the reform. [passage omitted]

The session urged to seriously sum up experience and lessons, and embrace the guiding ideology of maintaining a sustained, stable, and coordinated economic development for a long time to come. It pointed out: The 3d Plenary Session of the 13th CPC Central Committee decided to improve and rectify the national economy. A year of practice has proven that the decision is completely correct. This year our province has achieved initial results in its work of improving the economic environment and straightening out the economic order, the effective supply has somewhat increased, the investment in fixed assets has begun to be controlled, the investment structure has been readjusted, the strains in consumption and demand have been eased, the urban and rural markets have become comparatively stable, the rate of price increases has slowed markedly, the confusion in the realm of circulation has begun to be cleared away, the amount of credits and loans have been brought under control, and the economic operation of the whole province is taking a turn for the better. At the same time, we should see that the economic situation we are facing is still serious and must not ignore the difficulties and problems which have been accumulated over the years. The prominent features of those difficulties and problems are: Inflation is obviously aggravating, the variety of products is not even, the production structure is irrational, and the economic order is in confusion. Viewed from the guiding ideology, there is the tendency of being overanxious for quick results in economic construction and extending capital construction on a too large a scale without considering the real capacity of the province. [passage omitted] As a result of the present-stage effect of economic improvement and rectification, a heavy market has appeared in economic life, the growth rate of industrial production has dropped too drastically, economic results are generally becoming poorer, and there has been a great deficit in financial revenue. We must, therefore, deeply think over those difficulties and problems existing in the economic work of our province and firmly establish the guiding ideology of promoting a sustained, stable, and concord economic development while summing up experience and lessons.

The session pointed out: The task of improving the economic environment and straightening the economic order of our province must be based on the unified plans mapped out by the central authorities and basically completed in 3 years (including this year) or a little longer period of time. [passage omitted] To implement the policy of economic improvement and rectification in a down-to-earth manner, the session emphasized that it is necessary to adopt effective measures and do all fields of work meticulously and solidly. In this connection, the session proposed ten measures for economic improvement and rectification. 1) To cut down the scale of investment with firm determination and readjust the investment structure. 2) To expand agricultural production to make the foundation of economic development solid. 3) To adhere to the three-transformation and one-absorption policy to improve the quality of all industrial enterprises. 4) To vigorously tap intellectual

resources and earnestly give full play to the leading role of science and technology. 5) To seriously straighten out the economic order in the channel of circulation to make market prices stable in the main. 6) To create more job opportunities and care for the people's life while controlling the sharp rise of consumption funds. 7) To establish and perfect the system of macroeconomic control. 8) To encourage hard work and plain living to check the tendency of extravagance and waste. 9) To further screen and straighten out companies. 10) To promote the double-increase and double-economy campaign in a deep-going way. [passage omitted]

The session emphasized: Party committees and governments at all levels of the province, all professions and trades and all cadres and the masses must actively respond to the call of the 5th Plenary Session of the 13th CPC Central Committee to arouse themselves to launch an upsurge of attaching great importance to, supporting, and developing agriculture throughout the province, boost agricultural production with concerted efforts, and strive to make a new step forward in agricultural production of our province in 2 to 3 years. [passage omitted] Priorities must be given to the development of the industries supporting agriculture and vigorous efforts must be made to develop those industries. Earnest efforts must be made to improve the short supply and lower the high prices of such agricultural means of production as chemical fertilizer, farm chemical, plastic film for agricultural use and diesel. Attention must be paid to further readjusting the internal structure of agriculture, raising the comprehensive capacity, and ensuring a steady increase in the output of grain, cotton, and oil-bearing crops. Special efforts must be made to increase cotton production next year. All localities and departments must pay adequate attention to protecting the enthusiasm of peasants in production. [passage omitted]

The session noted: While improving the economic environment and rectifying the economic order, effective measures must be adopted to straighten out the economic order in the realm of circulation to ensure that market prices will be kept mainly stable. [passage omitted] Meanwhile, controls over markets and prices must be tightened to stop artificially forcing prices up, arbitrarily raising prices, and raising prices in a disguised form. [passage omitted]

The session emphasized that it is imperative to keep the party's policies stable and continue to deepen the reform while improving the economic environment and straightening out the economic order. [passage omitted]

The session pointed out: We should in no way deviate from the orientation of socialism while persisting in reform and opening up. All reform measures which contribute to the consolidation and development of the planned market economy should be persisted in and some methods which deviate from the orientation of socialism should be corrected in time and with proper guidance. Intensified efforts must be made to import and

absorb foreign advanced technology and scientific managerial expertise, and resolute efforts must be made to resist the capitalist profit-before-everything mentality and decadent way of life.

It also noted: While concentrating efforts on economic improvement and rectification at present, the reform must be carried out around the task of economic improvement and rectification and serve it. In the next 2 or 3 years, endeavors must be focused on stabilizing, replenishing, readjusting, and improving some reform measures which were adopted in the past few years. [passage omitted]

Provincial party committee Secretary Guan Guangfu conveyed during the enlarged plenary session the spirit of the central work conference and the fifth plenary session, and delivered a work report on behalf of the provincial party committee. Provincial party committee Deputy Secretary Guo Zhenqian made a closing speech at the meeting. [passage omitted]

The session called on party members and the masses of the people of the whole province to rally closely around the party Central Committee with Comrade Jiang Zemin as its nucleus, brace themselves up, go all out in work, overcome difficulties, rouse themselves for vigorous efforts to make the country prosperous, and strive to win victory in the task of improving the economic environment, straightening out the economic order, and deepening the reform.

### Hubei Plenum Urges Organs To Work Hard

HK0312193889 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 2 Dec 89

[Excerpts] On 1 December, the provincial government held its fifth enlarged plenary session to urge all government organs to raise morale, go into prompt action, work in a down-to-earth manner, implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee, and accomplish all the tasks regarding the operation of economic improvement and rectification and in-depth development of the reform that were put forth by a recent enlarged plenary session of the provincial party committee, so as to push ahead economic construction, reform, and the opening-up process in the province.

Governor Guo Zhenqian aired his opinions on eight issues, according to the views discussed during a routine meeting of the provincial government:

1. It is necessary to earnestly implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee and the 4th enlarged plenary session of the 5th provincial party committee, and coordinate our actions based on a common understanding. [passage omitted]

2. It is necessary to further reduce the scale of investment in fixed assets and to vigorously readjust the investment structure. [passage omitted]

3. It is necessary to do a good job in supporting and serving agriculture and to promote a steady development of agriculture. [passage omitted]

4. It is necessary to uphold the principle of three transformations and one digestion [san gai yi xiao hua] and to make every effort to improve the overall quality of industry in the province. For the present we must focus our attention on the readjustment of both the product mix and the enterprise organizational structure. [passage omitted]

5. It is necessary to adhere to the principle of deflation with regard to financial affairs and credit extension. This is a radical measure to restrain the aggregate demand. [passage omitted]

6. It is necessary to keep an eye on the operation of enterprise consolidation and rectification. [passage omitted]

7. It is necessary to strengthen the marketing sector and to stabilize the market and commodity prices. [passage omitted]

8. It is necessary to further improve our work style and to step up the operation of economic improvement and rectification in a down-to-earth manner. [passage omitted]

Vice Governor Li Youwei presided over this enlarged plenary session. Present at the plenum were Vice Governor Li Daqiang, other members of the provincial government, and cadres at and above the deputy departmental and bureau head level from all departments and organs of the provincial government.

### Southwest Region

#### Guizhou People's Congress Hears Work Reports

HK2711063289 Guiyang Guizhou Provincial Service  
in Mandarin 2300 GMT 22 Nov 89

[Text] The 10th meeting of the 7th provincial People's Congress Standing Committee held its third full session yesterday afternoon [22 November] to listen to reports by the provincial people's government and the provincial people's procuratorate. The meeting was presided over by Wang Yaolun, provincial People's Congress Standing Committee vice chairman.

At the meeting, on behalf of the provincial people's government, Vice Governor Liu Yulin made a report on the conditions of the work of screening and rectifying companies in our province; (Zhu Dengting), director of the provincial price bureau, made a report on the conditions of price management work in our province since the beginning of this year; Vice Governor Gong Xianrong made a report on the management of cultural markets in our province; and (Yu Jinggong), deputy director of the provincial agricultural economy commission, made a report on the conditions of implementing a



food-and-clothing project in some impoverished areas in our province. At the meeting, (Wang Enji), deputy procurator of the provincial people's procuratorate, made a report on the implementation of the notice of the Supreme People's Court and the Supreme People's Procuratorate by the procuratorial organs in our province.

Chairman Zhang Yuhuan, provincial People's Congress Standing Committee, and Vice Chairmen Luo Dengyi, Zhou Yansong, Wang Zhenjiang, Liang Wanggui, Luo Shangcai, Qiao Xueheng, and Li Jifeng attended the meeting.

### **Guizhou Bank Helps Enterprises Pay Debts**

*HK2211062089 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 20 Nov 89*

[Text] At a work conference held a few days ago on helping large and medium-sized enterprises pay debts due, the Provincial Bank of Industry and Commerce helped some 170 enterprises in the province pay debts of some 50 million yuan due and payable.

Since the second half of last year, the situation in debts due and payable among enterprises has been comparatively serious. The total amount of the debts among the enterprises that have opened accounts with the Provincial Bank of Industry and Commerce reaches some 600 million yuan.

To help the large and medium-sized state-owned enterprises pay their debts involving three parties and to develop production even better, the Provincial Bank of Industry and Commerce has used a fund of 8 million yuan this time and adopted the bank internal clearing mode to help the enterprises pay their debts due and payable.

### **Sichuan's Yang Rudai Joins Voluntary Labor**

*HK2811013189 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 23 Nov 89*

[Recorded report: "The Participation of Leading Cadres in Voluntary Labor Is a Good Way To Maintain Ties With the Masses—an On-the-Spot Report on Provincial and City Leaders Participating in Voluntary Labor on the Construction Site of Phase One of the Fuhe Extension Project"]

[Excerpts] [Begin recording] [Reporter] Dear listeners, now it is approximately 0900 hours, 23 November. We are reporting from the construction site of phase one of the Fuhe extension project of the Dujiangyan Irrigation Zone. [passage omitted]

Today nearly 100 leading cadres at and above the deputy departmental head level from the provincial and Chengdu City authorities are doing voluntary labor here. We can see Secretary of the Provincial Party Committee Yang Rudai working very energetically among the working crowd.

[Reporter] Comrade Rudai, how are you? We are reporters from the Sichuan People's Radio Broadcasting Station. It is said that from now on, leading cadres' participation in voluntary labor will become a regular thing. As a participant in today's activities, could you give us your opinion in this regard?

[Yang Rudai] The system of joining voluntary labor is a good way to maintain ties with the masses. We are now facing some economic difficulties, aren't we? The more difficult the time is, the more we have to rely on the masses and maintain close ties with them. Am I right? We can accomplish whatever we plan to do, so long as we can rely on the masses, mobilize them, maintain close links with them, and show concern for them.

[Second reporter] You mean we can make the relations between the party and the masses and between cadres and the masses closer through such activities?

[Yang Rudai] Oh yes, that's exactly what I mean. [passage omitted]

### **Sichuan Controls Consumption Funds**

*HK2911022789 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Nov 89*

[Excerpt] Since improving the economic environment and straightening out the economic order a year ago, our province has achieved marked results in controlling the excessive increase in consumption funds. The tendency of consumption funds to rise has evidently slowed down and their continued rise has been effectively brought under control. Instances of issuing excessive bonuses and allowances in cash or in kind have been gradually reduced, and the tendency of giving lavish dinner parties at the expense of public funds has been somewhat restrained.

From January to October this year consumption funds throughout the province increased by 16.2 percent over the same period of last year, but the growth rate was 30.1 percent lower than the same period of last year and 7.8 percent lower than the same period from 1984 to 1988, and the growth rate was the lowest since 1984. [passage omitted]

### **Tibet People's Congress Examines Draft Laws**

*HK0312124189 Lhasa Tibet Regional Service in Mandarin 1130 GMT 2 Dec 89*

[Excerpts] From 30 November to 2 December, during its seventh meeting, the Standing Committee of the regional People's Congress heard briefings on and examined the provisional regulations on supervision over People's Congress standing committees at all levels of Tibet Autonomous Region (draft), the procedures on continuity of the credential of members of the Standing Committee of the regional People's Congress (draft), and the provisional regulations on protection and development of postal and telecommunication service of Tibet Autonomous Region (draft).

Vice chairmen of the Standing Committee of the regional People's Congress Sengqen Lozong Gyaincain, Pudoje, Lang Jie, and Wang Guangxi, and other members of the Standing Committee of the fifth regional People's Congress attended the meeting. Responsible comrades of the departments concerned were present at the meeting as non-voting observers. [passage omitted]

#### **Commentator Discusses Economic Situation in Tibet**

*HK2911015689 Lhasa Tibet Regional Service  
in Mandarin 1130 GMT 27 Nov 89*

[TIBET RIBAO 27 November commentator's article: "Correctly Understand the Current Economic Situation"]

[Text] The article says: The 5th Plenary Session of the 13th CPC Central Committee examined, discussed, and adopted the decision of the CPC Central Committee on further improvement, rectification, and deepening reform; and put forward the guiding principle for, main tasks of, and basic strategy for further improvement, rectification, and deepening reform. On the basis of correctly understanding the current economic situation, we must inspire enthusiasm, strengthen our confidence, exert concerted efforts to overcome difficulties, successfully accomplish the tasks of improvement and rectification, and strive for continuous, steady, coordinated, and forward economic development.

On the issue of how to understand the current economic situation, we must pay attention to two phenomena:

One is that people fail to see the achievements, and hold that the standard of the economic situation is too high, that they fear difficulties, feel pessimistic, attempt nothing, and accomplish nothing.

The other is that people underestimate difficulties so that they become unrealistically optimistic and lower their guard.

These two phenomena are wrong and harmful.

The article points out: We must see that the current economic situation is, as a whole, good. Since the 3d Plenary Session of the 11th CPC Central Committee, the national economy has unremittently developed; the state's actual economic strength has been markedly strengthened, the livelihood of the urban and rural residents has apparently improved, and great achievements in all causes have been scored. This is the main aspect of the historical development of our country.

As throughout the country, economic construction has vigorously developed and the backward outlook of the past has begun changing in our region in the 10 years of reform and opening up. This is obvious to all. While affirming the achievements, we must also soberly see that the economic situation confronting us is still very grim. It is prominently expressed in markedly aggravated inflation, uneven [words indistinct], irrational structure, and chaotic economic order. We must by no means

underestimate these questions and difficulties. The leading cadres must especially not [words indistinct]. We must also see that although the present economic difficulties are relatively serious, they are, after all, temporary difficulties and difficulties in the course of advance that can be completely overcome.

The 3d Plenary Session of the 13th CPC Central Committee decided to improve and rectify the national economy. With the efforts over the past 1 year and more, we have initially scored achievements in improvement and rectification, and acquired some experience. We have made a good start. As a result of the recent victory in curbing disturbances and putting down the counterrevolutionary rebellion, and of the holding of the 4th Plenary Session of the 13th CPC Central Committee, the political situation of unification of understanding and strengthening of unity has emerged in the whole party. These are favorable conditions for overcoming difficulties.

The article emphasizes: So long as we avoid a one-sided approach to the current economic situation, fully affirm the achievements, understand and estimate the difficulties, face the difficulties squarely, are good at summing up experiences and lessons, see the favorable conditions for overcoming the difficulties, inspire our enthusiasm, and unite to struggle hard, we shall surely accomplish the tasks of improvement, rectification, and deepening reform.

#### **North Region**

##### **Shanxi Policy on Rectifying, Improving Reform**

*HK2011084089 Taiyuan SHANXI RIBAO in Chinese  
30 Oct 1989, pp 1, 3*

[Report: "Provincial Party Committee and Government Define Some Policy Demarcation Lines on Conducting Rectification and Improvement and Deepening Reform"]

[Text] Report by this paper's correspondent: At the provincial production work conference held yesterday [29 October], provincial Governor Wang Zhenhao [3769 2773 3185] said: The general guidelines and general policy of reform and opening to the outside world must be firmly and unswervingly implemented and carried out. In our criticism and rectification of Comrade Zhao Ziyang's errors, some comrades have been unclear for a time about the demarcation lines between the central party's correct guidelines and Comrade Zhao Ziyang's errors and have harbored various doubts about certain reform policies. When we emphasized criticizing and rectifying the rightist erroneous trends, some comrades easily leaned to the "leftist" side. When we summed up the experiences and pointed out the existence of certain loopholes and defects in the reform and opening to the outside world and the need for their perfection, certain comrades behaved like they were tied hand and foot, lacked vigor in their work, and came to a standstill. For the sake of even better implementing the spirit of the 4th

Plenary Session of the 13th CPC Central Committee; carrying out the spirit of Documents Nos 7 and 9 of the Central Committee and the provincial party committee's party construction work conference; further performing well the rectification and improvement and deepening of the reform; and stabilizing and developing the economy, the provincial party committee and government, based on the current actual conditions of our province, have further defined some policy demarcation lines.

#### **(1) Regarding the Enterprise Leadership Structure**

1. The party organ in an enterprise occupies a political pivotal position in the enterprise and is in a unity with the plant head (manager) responsibility system. The enforcement of the plant head (manager) responsibility system is clearly designated in the "enterprise law." Its enforcement must be continued and be constantly improved and perfected in the course of enforcement. The plant head (manager) is the legal representative of the enterprise. The enterprise's party organ should organize support for the plant head (manager) so that he may exercise his duties and responsibilities according to the law.

2. We should further perform well the job of dividing the duties and responsibilities between the party and administrative leadership of the enterprise. The principal duties and responsibilities of the party organ in an enterprise are: performing well the building of the party's ideology, organization, and behavior; leading and guiding the enterprise's ideological and political work and building of spiritual civilization; ensuring and supervising the thorough implementation of the party's and state's guidelines and policies; and firmly insisting on the socialist direction of the enterprise. The principal function of the plant head are: being independently responsible for handling and attending to the problems of operation and management, directing production, developing technology, and so forth. The plant head and his administrative cadres should link together production and operations with doing a good job in ideological and political work and actively improve the material conditions for the building of spiritual civilization.

3. Discussion programs on big and important problems concerning the enterprise's production and operations should be brought up by the plant head, who presides at the discussion meetings, and the members of the party committee of the enterprise should take part in discussions on the big and important problems of the enterprise and offer their views and proposals. In the decisions on the enterprise's big and important problems, the democratic rights of the staff members' representatives congress must be respected so as to raise the level of the democratic and scientific aspects of the decisions.

4. The stability of the enterprise's leadership teams should be maintained. If only the concrete form of the enterprise's party and administrative structure is advantageous to fixing the political pivotal status of the party committee, augmenting the ideological and political

work and helping to do well the enterprise's production and operation, then it should not be changed; any slight inadequacies should be adjusted gradually. In the majority of enterprises, it is workable for a single person to concurrently hold the enterprise's principal party and administrative functions, and this may also be tried out in certain large and medium-sized enterprises. In general, no change should be made in the enterprise's medium-grade cadres during their term of office.

#### **(2) Regarding the Enterprise Contracted Operation Responsibility System**

Our guideline is two-sided: First, it firmly insists on and stabilizes the contract system, and second, it sums up the experiences and actively searches for a method to improve contracting so that it can continuously progress toward perfection.

1. Recently, we have firmly insisted on maintaining without change the enterprise contract system, with the main contents of "two-contracting and one-linking" prescribed in the "Provisional Regulations on the Contracted Operation Responsibility System for Industrial Enterprises Under the System of Ownership by the Whole People" promulgated by the State Council. For the next 2 years, the main points of the reform of the industrial and commercial enterprises will continue to be the perfection of the contract system and leasing operations, and at the same time, the piloting points of the stock and share system and of separating the flow of taxes and profits will be carried out.

2. This year about 15 percent of the contracting agreements of industrial and commercial enterprises in the budget of our province will expire, while next year the majority of the enterprises will expire. Of the enterprises whose contracts will expire this year, those that can fulfill the first round of their contracted tasks, have good main contracting personnel, and have relationships in which the three parties of the party, administration, and workers are coordinated and in harmony and have with the support of the majority of the staff members and workers, may, upon the rational readjustment of their contracted base figure and upon completion of their contracted targets, continue their contracts. As for those that do not possess the above conditions, we may, based on their different conditions, subject them to entrusted contracting or contracting by tender. Regarding the small number of enterprises that, due to the external environmental changes being too great, cannot forecast the market conditions, the annually fixed economic target responsibility system may be enforced. Those enterprises whose contracts will expire at the end of next year must firmly insist on carrying on according to the agreements, while the higher departments in charge should make early investigation and do research to prepare well for the next round of contracting work.

3. In enterprise contracting, some localities have introduced the mechanism of competition, adopted the



method of publicly calling for tenders, selected contractors through competition, and achieved positive results, but many problems still exist. From now on, large enterprises and medium-sized enterprises generally should not carry out contracting through publicly calling for tenders; while in the case of small enterprises and some of the medium-sized enterprises with the requisite conditions may, within the enterprises or industries or trades, carry out contracting by tender, but contracting by individuals should be refrained from, and after contracting, the contract should not be transferred to other people. Irrespective of the form of contracting adopted, the contractor must be subjected to examination by the party organ according to the cadres management regulations and, meanwhile, the views of the majority of the staff members and workers must be duly respected.

4. Improving the external environment for the contracting of state-run large and medium-sized enterprises. The provincial Economic Commission must, in coordination with the relevant departments in charge, make a list of the state-run large and medium-sized enterprises that must be protected and assure them that their needs for electric power, raw materials, transport capacity, capital, funds, and so forth, would be given priority, so as to fully display the backbone role of the state-run large and medium-sized enterprises.

5. Further defining and standardizing the income of the operators or contractors. If the income of the operators or contractors of enterprises, which in 1988 fulfilled or overfulfilled the contracted tasks as per the contracting agreements, has not yet been realized, then it must be firmly realized. From now on, the provisions of the "contracting regulations" must be followed, and the annual income of the enterprise operators, depending on the conditions of the carrying out of the contract agreement, can be higher than the average annual income of the staff members and workers of the enterprise by 100 to 300 percent (concrete percentage to follow the provisions of the Shanxi Provincial Government (1989) Document No 52 on "certain views pertaining to stabilizing and perfecting the contracting operation responsibility system augmenting the restrictive mechanism over the enterprises." The percentage may even be higher in the case of a small number of operators who have made outstanding contributions or, in such cases, following the deliberation and discussion of the staff members and workers, the local people's government may sanction the granting of a fixed sum as reward and encouragement once and for all. The income of other constituent members of the enterprise's leadership team should be lower than that of the enterprise operator. In the event of failure to fulfill the contract agreement, the income (including the guarantee deposits) should be cut, until only one-half only one-half of his basic salary remains. Other constituent members of the enterprise's leadership team likewise should bear the corresponding economic responsibility. When the income of the operator and

other personnel exceed the basic figure for tax computation, according to the law, they should pay the adjustment tax on the individual's income. Aside from his salary, comprehensive production bonus, and income from cashing in on the contracting benefits, the enterprise operator is not allowed to receive any one of the various kinds of special awards inside the enterprise or any award granted by subordinate units. The pledge fund against risks is not entitled to any profit distribution of the enterprise, but if it is used along with the turnover of circulating funds, it may be paid the bank's current interest rate for the period concerned.

6. Regarding the problem of the use of the plant head's (manager's) expense funds for various activities drawn by the enterprise according to the stipulation of Article No 35), there is no need to investigate this so long as no use of power to seek private gains is involved. From now on, the plant head's (manager's) expense or activity funds may still be drawn in accordance with the continued pursuance of the stipulations of (1986) Document No 66, issued by the Shanxi Provincial Government. The funds should principally be used for entertainment expenses between the enterprises but should not be used to entertain or send gifts to cadres of party or government organizations, and there should be no wasteful or extravagant use of the funds. The plant head's (manager's) activity or expense funds should be incorporated into the enterprise's financial management funds.

Enforcement by enterprise of the purchasing and marketing contract responsibility system plays an active role in arousing the enthusiasm of the supply and marketing personnel, overcoming the difficulties encountered by the enterprise in production and operation, and improving the enterprise's ability to suit the market conditions. The enforcement should continue. The concrete method of the contracting belongs to the realm of the enterprise's autonomous right in operation and should be autonomously determined by the enterprise in accordance with the state's relevant regulations. Any imperfection in the method should be rectified by the enterprise summing up experiences. From now on, the contracting targets in the enterprise's purchasing and marketing should call for being progressive and rational, and the contracting method should be deliberated by the staff's representatives congress, and also be subjected to the democratic supervision of staff members and workers.

### (3) Regarding Individual Economy, Private Enterprises

1. The guideline of the party Central Committee of firmly insisting on taking the public ownership system as the principal factor and developing many categories of economic constituents will remain unchanged for a long time. The individual economy and private business economy are beneficial and necessary supplements to the socialist economy. They play an important and indispensable role in developing social production, providing facilities for people's living, and expanding labor employment. Our guideline is first, to encourage their

active development within the scope permitted by the state; and second, to strengthen control and guidance over them to achieve the end of displaying their active role, and restricting their passive role which is disadvantageous to socialist development.

2. It is necessary to define the demarcation lines between legal and illegal operation. According to the prescriptions of the "Provisional Regulations Governing the Control of Urban and Rural Individual Industrial and Commercial Units" and the "Provisional Regulations Governing Privately-Run Enterprises in the PRC," those units which have been approved for registration by the industrial and commercial administrative and control organs, which operate according to law, and which pay taxes according to the regulations, belong to the category of legal operation. Those units which do not abide by the law to carry out industrial and commercial business registration or which, after registration, engage in illegal operation, produce false and poor-quality commodities, deceive the trade and cheat the market, rashly raise commodity prices, and evade taxes, belong to the category of illegal operation. We should protect and support legal operations, particularly those engaged in the production and operation of small merchandise of well-known brands imbued with a traditional local flavor, and deal sternly with and prohibit, illegal operation. Those found guilty of cheating or evading taxes must be prosecuted by law, and fined and forced to repay their tax payments. Individual industrial and commercial households and operators of private business enterprises should enhance their understanding and concept of the law, such as truthfully reporting their business volume and income, and paying taxes according to law. Privately-run enterprises should also set up a strict financial and accounting system, while on the part of taxation departments, they should improve their tax collecting discipline and rectify the practices of reducing or exempting taxes in sympathy, or collecting taxes redundantly.

3. We should firmly stop certain departments, when dealing with individually owned industrial and commercial units and private enterprises, from unduly imposing levies, collecting fees at random, unreasonably raising funds from them, or imposing fines without any cause. The latter's legitimate receipts and rights and interests must be protected. It must be reaffirmed that aside from the stipulations by state laws and regulations and outside of the fees sanctioned by the State Council and the provincial People's Government, district (city), county and rural governments and administrative units at various levels, have no right to fix by themselves any item of fees or levies for collection. Regarding those who operate in violation of the legal codes, fines should be levied on them strictly according to law and the government's regulations but the fines should not be made extra heavy or lenient at wish. As for those who continue from now on to unduly impose levies, collect fees, raise funds, and impose fines, they should be considered as having violated law and discipline, and should be prosecuted and

punished by law. All fees collected according to regulations should be delivered to the treasury and should not be taken as belonging to the departments concerned. The necessary expenditures needed to be increased by the departments in their administration of the individual economy and private economy should be met by appropriations from the regular channel of financial expenditures and self-receipt or self-disposal by the departments concerned should in no case be permitted.

At present, in a portion of the enterprises the nature of their ownership system is not clear. This is an important cause for confusion in policy execution. We should follow the Shanxi Provincial Government's Document No 55, (1989) that is, "Circular Containing Views on Defining the Nature of the Economies of Individual Industrial and Commercial Households, Individual Partnership Business Organs, Private Enterprises, and Collective Enterprises," to define and demarcate the nature of the ownership system of the individual industrial and commercial households, private enterprises, and urban and rural collective enterprises, and perform the job of registration and issuance of licences in respect of individual households, and private enterprises well. The industrial and commercial administrative control department and the urban and rural enterprise control departments should closely cooperate with each other and, based on to whom the means of production belong and how the benefits are divided, define and earmark the nature of the enterprises and seek truth from facts in completing this work as soon as possible.

#### **(4) Regarding the Problem of Injustice in Social Distribution**

1. Actual practice has attested to the correctness of the guideline of the party Central Committee firmly insisting on taking distribution according to work as the principal factor with the coexistence of various other forms of distribution, and of its policy of advocating that under the target of prosperity and wealth for all, allowing a portion of the people through honest labor and legitimate operation to become well-off earlier than the others. This guideline and policy should continue to be implemented.

2. At present, there exists in society the problem of injustice in distribution, with the disparity of incomes being too great. This damages the enthusiasm of the masses whose wage income depends entirely on honest work. It should be earnestly solved. Our guideline is: Protect legitimate income, and adjust income that is overly large, determinedly prohibit illegal income, and take as legitimate income, the kind of income earned from legitimate business undertaking and work, and which has duly paid the necessary taxes according to law; and also other kinds of income (including interest earnings from bonds and debentures, dividends from stocks and shares, compensation for risk taking, a portion of the principal non-labor income of privately-run enterprises, and so forth). In such cases, even though the income is too high it should still be duly protected but vis-a-vis

overly high income, necessary administrative measures must still be taken to adjust it, such as collecting the individual income adjustment tax. The system of wages and salaries distribution and of granting bonuses of enterprise business units must be open to the public; giving away of money or materials outside of proper salary wage and bonus must be rectified; and in particular, we must prohibit the random raising of commodity prices in order to greatly increase the individual's income which may cause consumption inflation. Such practices as engaging in speculation and profiteering, giving bribes and accepting bribes, using power to seek private gains and employing corrupt and deceitful measures to reap huge profits must be sternly investigated and prosecuted according to law.

3. Rectifying unjust distribution in society is not a return to "everybody eating from the same big pot" of egalitarianism. Equal distribution among people doing different kinds of work is in reality, unjust distribution. At present, in the enterprise business units, and party and governmental organs, the phenomenon of egalitarian distribution has still not been overcome and has even grown larger in certain localities, departments, and sectors, thus damaging in like manner the positivism of the extensive masses of honest workers. It is necessary to twist around the egalitarian tendency in distribution and gradually solve the problem of the "reverse hanging of the body and brain." We must rectify the evil tendency of "everything for money's sake," but we must not refute the principle of seeking material interests.

#### **(5) Regarding the Handling and Sales of Means of Production**

1. Various production enterprises must rigidly implement the mandatory plans issued by the state and the province. Before fulfilling the state's mandatory plan, production enterprises should not go to the markets and sell by themselves, products permitted for sale.

2. We must follow the decisions of the party Central Committee and the State Council on putting in order and consolidating the companies, and put in order and consolidate the units handling the important means of production. Without prior permission, no unit shall handle or deal in important means of production. The individual's handling and dealing in important means of production is prohibited. Production enterprises should follow the relevant regulations of the state and of the province, and sell the products produced by themselves, handle the materials and goods overstocked in storage, and should not resell commodities produced by others. Units sanctioned to handle means of production should operate according to law in strict accordance with the sanctioned scope of business.

3. Specialized markets such as commodities and resources exchange centers and steel materials markets sanctioned for organization by materials and resources departments at various levels, are legitimate goods and materials exchange markets. Transactions on important

means of production must be carried out in these markets. There must be no outside-the-market transactions. In the case of production enterprises and business units sanctioned previously by the industrial and commercial control departments, when operating within the scope of approved operations, so long as they do not purchase important means of production at parity prices and then resell them at higher prices and thus reap large profits, they will not form a problem subject to investigation and probing.

#### **(6) Regarding The Relevant Demarcation Lines Between Anticorruption and Eradication of Bribery**

1. Abiding by the law to seriously punish corruption and bribery, overcome the phenomenon of corruption, and strengthen honesty in construction, is an important task at the moment and is also a guideline for long-term firm insistence. Party and government organs at various levels, enterprises and business units, should actively support and cooperate with the judicial organs, departments of discipline inspection, administrative, supervisory and auditing departments, and industrial and commercial administrative and control departments, to adopt determined and effective measures, and remove all impeding forces, to investigate and prosecute according to law, the various kinds of acts violating law and discipline.

2. In the struggle to oppose corruption and eradicate bribery, we must take note of the fruits of the reform which are beneficial to production and have been found to be workable and effective, and protect the positivism and creativeness of the masses. In investigating and handling the cases, we must differentiate between the various conditions, treat each case separately, seek truth from facts, work cautiously and seize hold of certain policy demarcation lines as follows: (1) We must strictly differentiate between violation of laws and discipline, and certain discrepancies and errors appearing in the course of the reform; regarding errors in the course of the reform work, we should principally refer to lessons from a summation of past experiences, make the necessary rectification but the individual's responsibility will not be looked into; (2) as for problems arising from carrying out regulations in documents handed down by the former higher-level organ, the responsibility will be borne and rectified by the upper-level organ formulating the document, and the responsibility of the party executing the regulations will not be probed into; (3) in regard to persons who in the reform and construction have made outstanding contributions and who have received the applause and support of the populace but have committed errors, provided that the errors do not constitute crimes according to law and have not caused important and large losses and/or bad effects, then concurrently with seeking truth from facts in the course of handling and investigation, the standing of the party concerned should be duly protected, and after rectification of the errors the party concerned may continue to work in the original post; (4) in respect of certain reports we must investigate and study, make concrete analysis,



refrain from drawing conclusions under unclear circumstances, and in particular we must not give them publicity, since newspapers must stress punishment of crimes and corruption and are not confined to revealing the phenomena of corruption; (5) when examining and investigating problems which involve the plant head (manager) and the separation of the plant head (manager) from the leadership post is required, the department in charge must be informed ahead, and early preparations must be made so as to avoid undue effects on production and operation; the procedure in investigating the plant operation should be carried out speedily and if no problem is found there must be a timely and public announcement of results so as to remove any bad effects and restore the sentiments of those concerned; and (6) in the event that for the sake of production and operation an enterprise has incurred certain irrational expenses, provided that there is no involvement with using power to seek private gains and fattening the private pockets, probing or investigation may not necessarily be carried out but in any case the experiences must be summed up, the system must be improved and perfected, and any loopholes must be cleared away.

3. When the problems relate to members of the NPC, labor models, or celebrated people, prior to carrying out the relevant and prescribed investigation and probing, and adopting any measures connected therewith, reports should be made to the party committee of the same level or grade.

### Northeast Region

#### Liaoning People's Congress Meeting Ends 22 Nov

SK2411015589 Shenyang Liaoning Provincial Service  
in Mandarin 2300 GMT 22 Nov 89

[Text] The 12th Standing Committee meeting of the 7th provincial People's Congress concluded in the city of Shenyang on 22 November. During the meeting, the participating members approved the resolution on revising the rules and regulations of protecting radio and television broadcasting facilities, the resolution on the provisions of Dalian City in arbitrating housing disputes, the resolution on the provisions of Fushun City in managing extra-budget funds, and the resolution of personnel changes.

In concluding the meeting, Chairman Wang Guangzhong delivered a speech in which he described his opinions on how to have the people's congresses at all levels throughout the province further and deeply study and implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee. He stated that the people's congresses at all levels should regard as an event of prime importance the studying of the fifth plenary session's spirit and as a central task the work of ensuring or promoting the progress of improving the economic environment, rectifying the economic order, and deepening the reform drive. By bearing in their mind the actual situation in the People's Congress work, they

should deeply carry out investigation and study and conduct their work in various fields, such as engaging in legislation and carrying out inspection and supervision according to the law, by closely following the emphasis of improving the environment, rectifying the order, and deepening the reform drive.

#### Liaoning Forum Studies Plenum Guidelines

SK2411051389 Shenyang Liaoning Provincial Service  
in Mandarin 1030 GMT 21 Nov 89

[Excerpts] From 20-21 November in Shenyang, the provincial party committee held a forum of democratic party and nonparty personages to relay the guidelines of the 5th Plenary Session of the 13th CPC Central Committee.

Sun Qi, deputy secretary of the provincial party committee; and Liu Qingkui, director of the United Front Work Department of the provincial party committee; relayed the guidelines of the fifth plenary session to the responsible persons of various democratic parties, nonparty personages, and responsible persons of various mass organizations.

In line with the decisions formulated at the fifth plenary session, the participants successively talked about their experiences. Comrades (Liu Chun), (Zhang Shaoping), (Zang Yumao), (Peng Yousong), (Feng Yuanhao), (Mo Caijing), (Long Shiquan), (Guo Yingjie), (Li Li), (Yue Weichun), (Wang Kui), (Zong Fanying), and (Li Chunpei) made speeches at the forum.

At the forum, the participants pledged to totally endorse and support the various important decisions on the economic work and personnel readjustment made at the 5th Plenary Session of the 13th CPC Central Committee. [passage omitted]

The participants pointed out: Taking the economic construction as a key link, adhering to the four cardinal principles, persisting in the policies of reforms and opening the country to the outside world, upholding the spirit of self-reliance and arduous struggle, and fighting to build China into a modernized socialist country is the common task of various democratic parties, nonparty patriotic personages, various mass organizations, the people of various nationalities, and personages of various circles. We must stand together through thick and thin and share weal and woe with the Communist Party, and make due contributions to tiding over the difficulties in the course of advance and capturing a new success in improving the economic environment, rectifying the economic order, deepening reforms, and developing the socialist modernization.

They also set forth many opinions on how to study and implement the guidelines of the fifth plenary session and on strengthening their self-construction and their contacts with the countrymen residing abroad.

### Liaoning Increases Export Volume

OW3011110689 Beijing XINHUA in English  
1034 GMT 30 Nov 89

[Text] Shenyang, November 29 (XINHUA)—Liaoning Province, China's biggest heavy industrial base, is expected to gain a foreign exchange income of two billion U.S. dollars this year, an increase of over 11 percent over last year, said Fan Hongxun, vice-director of the provincial foreign trade committee.

In recent years Liaoning has set up trade relations with more than 140 countries and regions, selling more than 2,000 varieties of products in the international market. It is learned that the province's talcum, cotton cloth, silk, garments, corn and other products are popular on the international market.

The province has also paid attention to the export of machinery and electronic products in recent years. In 1984 the province's export of such products was less than five percent of the total export volume, while this year it is expected to increase to 12.5 percent, reaching 250 million U.S. dollars-worth.

Fan Hongxun said that with the approval of the central government, the province has set up several export-commodity bases in a dozen major cities, and some trade agencies in Western Europe, North America, Japan and Hong Kong.

## Northwest Region

### Gansu CPC Committee Opens Plenary Session

HK2411075189 Lanzhou Gansu Provincial Service  
in Mandarin 1030 GMT 23 Nov 89

[Text] The Third Enlarged Plenary Session of the Seventh Gansu Provincial CPC Committee opened in Lanzhou today [23 November]. The central subject under discussion at this session is studying and implementing the spirit of the 5th Plenary Session of the 13th CPC Central Committee and of the central work conference and examining, discussing, and adopting the views of the provincial party committee and provincial government on the implementation of the decision of the CPC Central Committee on further improvement and rectification and deepening reform. Moreover, on the basis of summing up previous experience, arrangements are to be made for several important tasks for next year.

Comrade Jia Zhijie, deputy secretary of the provincial party committee and governor, presided over this afternoon's meeting. Seated on the rostrum were Li Ziqi, secretary of the provincial party committee; Lu Kejian, deputy secretary; and Wang Jintang, Wang Zhanchang, Liu Yuhua, Han Zhengqing, Zhang Wule, and (Yang Zhenjie), members of the provincial party committee Standing Committee. Attending the session are members

and alternate members of the provincial party committee, members of the provincial Advisory Commission, members of the provincial Discipline Inspection Commission, and all comrades attending a provincial work conference.

On behalf of the provincial party committee Standing Committee, Li Ziqi, secretary of the provincial party committee, gave a report entitled "Struggle Hard To Achieve the Long-Term and Unremitting Stability and Coordinated Development of Gansu's Economy" to the plenary session. In his report, Comrade Li Ziqi said: While we are studying and understanding the spirit of the Fifth Plenary Session of the CPC Central Committee, it is most important that we firmly establish the basic guiding ideology of developing the national economy in a continuous, steady, and coordinated way. He dealt with five points of view:

1. It is necessary to take continuous, stable, and coordinated development as the standard for measuring our economic work, to analyze and judge the situation scientifically, and to unremittingly heighten our consciousness for improvement and rectification.

2. Under the guidance of the principle of developing the economy in a continuous, steady, and coordinated way and in the light of Gansu's realities, we must be clear about the idea of developing the economy of our province in the course of improvement and rectification.

3. We must regard the unremitting, steady, and coordinated development of the economy as the basic starting point; correctly handle the relationships among improvement, rectification, and the deepening of reform; and resolutely maintain the continuity of the basic policies.

4. It is essential to create a good social environment for unremitting and coordinated economic development, to give full play to political strong points, and to ensure the smooth progress of improvement and rectification work.

5. To keep up the situation in unremitting, steady, and coordinated economic development for a long time and to constantly develop the political situation of stability and unity, we must do well in grasping next year's work in a down-to-earth manner.

In conclusion, Comrade Li Ziqi said: We are confronted with more difficulties and our tasks are very arduous, but our prospects are brilliant. So long as we rally closely round the CPC Central Committee, headed by Comrade Jiang Zemin; unswervingly implement the spirit of the Fifth Plenary Session of the CPC Central Committee; firmly establish and adhere to the basic guiding ideology of developing the economy in a continuous, steady, and coordinated way; unify our thinking; strengthen leadership; inspire our enthusiasm; and quietly immerse ourselves in hard work; we shall surely wrest new victories in improvement, rectification, and deepening reform.

Comrade Jia Zhijie spoke at the session. He emphasized: In the light of the realities of our province, we must implement the spirit of the Fifth Plenary Session of the CPC Central Committee. A pressing matter of the moment is to do well in grasping present production, to fulfill this year's quotas for production, to make good arrangements for next year's production, and especially to make good preparations for production in the first quarter of next year.

#### **Qinghai Continues Campaign Against Pornography**

HK2411094089 Xining Qinghai Provincial Service  
in Mandarin 2300 GMT 19 Nov 89

[Excerpts] The relevant units of our province have made arrangements for the work of reducing and straightening out newspapers and periodicals and publishing houses.

It has been learned that our province now has a book publishing house and 124 kinds of official newspapers and periodicals and those for internal reference. Since the 3d Plenary Session of the 11th CPC Central Committee, the press work of our province has developed rapidly, publishing and distributing a large number of healthy newspapers and books. This has made an appreciable contribution to the building of the two civilizations in the province. Nevertheless, influenced by the ideological trend of bourgeois liberalization over the past few years and as a result of party leadership and ideological and political work being weakened, there are indeed some problems in our province's newspaper and publication work. The major problems are: Some newspapers failed to take a clear-cut stand in upholding the four cardinal principles and combating bourgeois liberalization and published some articles with wrong points of views and obvious political errors. Some newspapers drifted off their correct course of guiding public opinion during the turmoil. Some publishing houses published some books playing up fatalism and some literary books contained some vulgar materials for profit making. At the same time, some illegal papers and books are still spreading far and wide in society. All this has seriously hindered the healthy development of press work in our province. [passage omitted]

Provincial party committee Deputy Secretary Sang Jiejia told reporters that the work of reducing and straightening out newspapers and periodicals and publishing houses is aimed at cutting off the source of pornographic materials, wiping out spiritual poison and cultural rubbish, purifying the book market, and promoting prosperity of socialist science and culture. Party committees and governments at various levels, and especially cultural departments and publication units, must, therefore, strengthen the work of making the socialist cultural field prosper through the current work of reducing and straightening out newspapers and books and publishing houses, and meet the people's cultural need by publishing more healthy, excellent, and useful literary works loved by the people.

#### **Shaanxi Conferences Air Workers' Opinions**

OW2511083189 Beijing XINHUA in English  
1511 GMT 24 Nov 89

[Text] November 24 (XINHUA) [dateline as received]—Trade union officials in northwest China's Shaanxi Province have found a new way to convey, in a timely and effective manner, workers' opinions to the local government.

The method is to hold joint conferences attended by leading government officials, trade union heads and workers representatives.

At such conferences, provincial government leaders give a brief account of the overall industrial production and economic growth of the province.

Trade union heads and workers' representatives voice major problems in production or workers' welfare after soliciting opinions from all sides.

Then, government leaders offer solutions to the problems.

The practise is described as a successful experiment in building a new political democracy in China and has won praise and hearty support from Jiang Zemin, general secretary of the Chinese Communist Party Central Committee.

It provides trade unions with a channel through which to participate in state affairs, Jiang said.

Two such joint conferences have so far been held in the province. The majority of topics for discussion were issues concerning workers' immediate or vital interests and the problems are being resolved.

For instance, trade union leaders urged the local government to pay more attention to the livelihoods of model workers after a survey of the living conditions, medical care and difficulties in other aspects of 4,000 model workers.

Governor Hou Zongbin thanked the trade unions for what they have done in this respect and instructed the provincial Finance Department to earmark 50,000 yuan each year for solving concrete problems of local workers who have made outstanding contributions to the country's economic construction.

So far, 100-odd model workers with financial difficulties have received grant-in-aid.

After the factory director responsibility system was introduced in the province a few years ago, many local workers thought their role in participating in democratic management of their factories had been weakened, and sometimes their legitimate interests and rights were infringed upon.

So trade union officials made a sample survey of 388 industrial enterprises focusing on enforcement of democratic management. The survey found that half of the



enterprises failed to hold workers' representative conferences as scheduled. They revealed the survey results at a joint conference.

Workers' representatives attending such meetings also voice their feelings and problems in their respective factories, which were hardly heard by the provincial leadership before.

"Trade unions serve as representatives of the working class and at the same time assistants of the government.

Winning their support is the basis for doing a good job in all fields," said Governor Hou after the conference.

He confessed that some government officials cannot get used to criticism from workers. But he insisted the method is a good beginning and will be continued.

The practice is being implemented in all counties in Shaanxi. A dozen other provinces and cities will also adopt the method as a channel to link workers and policy-makers.

**Report Discusses Taiwan Election Results***OW0412083489 Beijing in Mandarin to Taiwan  
1500 GMT 3 Dec 89*

[Text] Three elections were held in Taiwan on 2 December. One was to elect additional members to the Legislative Yuan, with the second one for the provincial and city assemblies, and the third for city mayors and county commissioners.

The voting results, released on 3 December, showed that the ruling Kuomintang [KMT] won 65 percent of the votes, while the opposition Democratic Progressive Party [DPP] won about 35 percent.

The elections drew great attention as they were the first multiparty elections in Taiwan since martial law was lifted in 1987. At present, there are 38 legitimate political parties in Taiwan, of which 19 had candidates running for the elections. All together, 377 people from the KMT and 163 from the DPP ran in the elections, or 52 and 22 percents of the total candidates, respectively. The elections, in effect, were a competition between the KMT and the DPP. In the election for 21 city mayors and county commissioners, the KMT grabbed 14, while the DPP carried away Taipei [Taipei] County, Gaoxiong [Kaohsiung] County, Pingdong [Pingtung] County, Xinzhu [Hsintzu] County, Yilan County, and Changhua [Changhua] County, with the last one won by a nonparty candidate.

**Commentary Opposes Taiwan Independence***HK3011142289 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0420 GMT 23 Nov 89*

[Commentary by Tian Di (1131 0966): "Opposing 'Taiwan Independence' Is a Common Responsibility To Be Undertaken by Both Sides of the Strait"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 23 Nov (ZHONGGUO XINWEN SHE)—Elements in favor of Taiwan independence are ready to take advantage of the general elections in Taiwan to stir up a wave of "Taiwan independence." This trend is in the ascendant and has aroused concern among the Chinese on both sides of the strait.

Upon his arrival in Taiwan from the United States, Lin Yeh-shiung immediately dished out a "Draft Basic Law for a Taiwan Republic." Political leaders of the Taiwan Democratic Progress Party have finally announced their long-concealed proposals on "self-government" and "Taiwan independence." Old-line advocates of "Taiwan independence" have also come out to stir up trouble. All sorts of calls for a "new state," a "new congress," a "new constitution," and a "new culture," as well as "various drafts and programs" have arisen noisily on all occasions. Under the pretext of freedom of speech and democracy, elements supporting "Taiwan independence" have announced their programs for "Taiwan

independence" in a planned and organized manner, thereby causing a clamor in the current activity of "Taiwan independence."

It is strange to report that these proposals, views, and programs that are aimed at splitting the country and nation have been published in many Taiwan newspapers. This has helped advocate the activity of "Taiwan independence." But the Taiwan authorities have done nothing effective, apart from making verbal "announcements" and "reiterations."

It is more strange to report that when some mainland people criticized this activity, some people on the island began to make all sorts of comments. Some described "Taiwan independence" as "an ideology based on Taiwan's nationalism" and asserted that this fell into the same category as the Chinese concept opposing "Taiwan independence" and stood for reunification and "one China." Some defended the remarks on "Taiwan independence" by saying that these remarks were an "inevitable trend leading to Taiwan democracy" and were a "symbol of progress" in Taiwan freedom of speech. Some asserted that "Taiwan society, which enjoys freedom of speech, can do nothing to stop people from talking about Taiwan independence." Some people even went so far as to vilify the CPC by saying that it was the "force and hotbed stimulating Taiwan independence" and that the CPC "is whipping up public opinion to carry out armed intrusion into Taiwan under the pretext of opposing Taiwan independence."

What is the Taiwan nation? And what is Taiwan nationalism? Taiwan has always been a part of Chinese territory, and Taiwan compatriots are an inseparable part of the Chinese nation. This is known to all.

The mainland is happy to see the Taiwan people working hard for Taiwan's economic prosperity and social progress and for more democratic rights. But the mainland absolutely does not agree with words or deeds aimed at splitting the country under the pretext of democracy. Is there any democratic country in the world that allows the division of its nation? How much democracy and freedom will the advocates of "Taiwan independence" bring to Taiwan compatriots?

The mainland has always been firm in its stand of opposing "Taiwan independence." Due to imperialist aggression and historical reasons, mainland and Taiwan compatriots endured the same humiliation and disasters. The mainland has a deep understanding of Taiwan compatriots' misfortune. The prolonged separation of the two sides is a tragedy for the motherland. Therefore the mainland has always tried to bring about an early reunification and has expressed sympathy and support for Taiwan compatriots' struggle for democratic rights under the principle of "one China." Taking account of the present state of affairs on both sides of the strait, as well as the interests of Taiwan compatriots, the mainland does not object to Taiwan's unofficial economic, trade, commercial, and cultural exchanges with other

countries. The mainland welcome; Taiwan's participation in international activities in the name of "Taipei, China." Examples are the settlement by both sides for Taiwan's participation in international athletics competitions and the solution to the name used by Taiwan for its participation in the Asian Development Bank's annual meeting in Beijing, both occurring earlier this year. Their assertion that the CPC is "blockading" and "starving" Taiwan in the international field does not conform with facts.

Contrary to what the mainland has done, Taiwan has spent much effort and money in pursuing its "flexible diplomacy," thus deviating from its policy of "one China." While establishing "diplomatic relations" with a foreign country, it does not explain that its counterpart should abandon its relations with the mainland, nor does it request its counterpart to do so. Instead it asserts that "this is their business." It does not care at all how foreign countries try to create "two Chinas" or "one China, one Taiwan." It is even delighted to hear others saying "a president from Taiwan." This explicitly suggests that it is the Taiwan authorities themselves who are creating "two Chinas" and "one China, one Taiwan." This of course has made "Taiwan independence" advocates more flagrant in their activities. In view of its approval for the "World Association of Taiwan Countrymen" to conduct its activities in Taiwan on two occasions and its connivance at the current upsurge of the "Taiwan independence" movement, we would like to ask where the Taiwan authorities' responsibility for safeguarding the country and nation has gone!

Finally, we would like to point out that it is impermissible to split the country and nation and that opposing "Taiwan independence" is a common responsibility to be undertaken by the authorities and people on both sides of the strait.

#### Offshore Island Troops Kill Fujian Fisherman

OW0212015889 Beijing in Mandarin to Taiwan  
1500 GMT 1 Dec 89

[From the "News" program]

[Text] According to a report from Fuzhou, a young fisherman of the Huangqi Peninsula in Lianjiang County, Fujian, was shot and killed by Kuomintang [KMT] troops garrisoned on Gaodeng, an islet of the Mazu Islands, when he called for help after his fishing boat broke down early in the morning on 28 November.

Early in the morning on 28 November, seven fishermen living on Haixin Street of the Huangqi Peninsula in Lianjiang County, were heading toward the (Xincha) fishing area on their fishing boat—Minlianyu No 1217. Because of an engine breakdown, they cast their anchor and tried to fix the engine. However, because of the rapid currents of the deep water in that area, the boat and the anchor drifted toward the Gaodeng Islet of Mazu with the currents. He Wufeng, a 17-year-old fisherman, tied a white plastic bag on the chimney at the stern and

signalled for help. When the boat drifted to a location 500 meters south of Gaodeng at 0615 [2215 GMT on 27 November], the KMT garrison troops on the islet suddenly opened fire at the boat, spraying it with more than 100 bullets, hurting He Wufeng's right (?thighbone). A large amount of blood gushed from his wounds. Three hours later, He Wufeng expired.

He Wufeng came from a poor family of eight, including his grandparents, parents, and younger brothers and sisters. He finished his schooling 6 months ago and became a fisherman. Upon learning that he was killed, the whole family was greatly saddened.

Huangqi and Mazu are very close to one another, and fishermen on both sides are close to each other. Large quantities of vegetables and fruits consumed by people on Mazu are supplied by Huangqi fishermen from the sea. If the supply is interrupted for a fortnight, there would be a serious vegetable shortage on Mazu.

Following the relaxation of the situation in the Taiwan Strait, the contacts between fishermen on both sides have become increasingly frequent. When the fishing gears of Mazu fishermen break down on the sea, fishermen from Huangqi have made it a practice to tow their fishing boats to the shore and help them fix them and replenish their supply.

Following the occurrence of the He Wufeng incident, fishermen on Huangqi became infuriated, and they all condemn the KMT troops' brutalities. When fishermen from Huangqi operated on the sea on 28 November and talked with fishermen from Mazu on the incident, fishermen from Mazu were also very indignant.

It is reported that, since the beginning of 1989, the KMT garrison troops on Mazu have on six occasions shelled and machine-gunned fishing boats and fishermen from Huangqi, killing seven innocent fishermen and seriously injuring seven others. This has seriously affected the production and livelihood of fishermen of Huangqi. They strongly urge the KMT troops to immediately stop such atrocities so that fisherman from the mainland can operate safely on the sea.

#### Commentary Views Killing

OW0212034889 Beijing in Mandarin to Taiwan  
1500 GMT 1 Dec 89

[Commentary by station editor: "Who Ordered Them To Kill?"]

[Text] Listeners and friends in Taiwan, when He Wufeng, a 17-year-old mainland fisherman, was seeking help from Taiwan's garrison troops on Gaodeng Islet of the Mazu Archipelagoes, he was brutally shot and killed. I believe you, like us, do not want to accept this as a fact. However, the incident happened in broad daylight, and we are shocked by it. What is more shocking is the fact that as many as six similar incidents have already occurred this year. Seven mainland fishermen have been



killed and seven others have been seriously injured. Is it possible that officers and men of the Kuomintang [KMT] garrison troops on Taiwan and other offshore islands were playing with the lives of mainland fishermen? Or were they using them as the stake for their bet? This is, of course, hard to believe; if they are not, who ordered them to shoot and kill innocent mainland fishermen?

Everyone knows that, ever since the reform and open policy has been adopted, the motherland has made every effort to implement the general and specific policies of promoting mainland-Taiwan links in mail, air, and shipping services, and exchanges in the academic, cultural, art, and sports areas. We have reduced armaments and withdrawn troops and artillery pieces and guns along the coast in the hope that there will be harmony and tranquility on the strait, and that countrymen on both sides of the strait can visit each other freely and safely.

Over the past several years fishing boats and fishermen from Taiwan have on many occasions come to the mainland, either because of mishaps or because they need shelter from typhoons, and they invariably receive all-out assistance and a warm reception from the garrison troops and fishermen in the coastal areas. We have heard many stories of humanitarianism and seen scenes of love between fellow countrymen on many occasions.

Under such an atmosphere and against such a background, we now again hear the sounds of artillery pieces and guns, and we again see blood gushing from people's chests. How can we afford not to be greatly saddened by this?

The sounds of artillery pieces and guns make us nervous, and the blood of our countrymen chills our hearts. We

are unclear as to how He Wufeng, who was shot and killed on 28 November, and the several other mainland fishermen who were killed and seriously injured before him, were threatening Taiwan's coastal defense when they were catching fish, or how they were endangering the security of the offshore islands when they were in danger and needed help themselves.

Let us assume that Mainland China's fishing boats had some ulterior motives when they headed for the Gao-deng Islet, and let us also assume that He Wufeng did not know the code of Taiwan's coastal defense; what could the 40-HP fishing boat—Minlianyu No 1217—do in a location 500 meters away from Gaodeng? What could it possibly do in the face of the garrison troops' modern defense? Could the totally unarmed He Wufeng fly over the line of defense?

Now the noises of artillery pieces and machineguns have destroyed the tranquility in the strait, and iron-clad facts should serve as a warning to the people that such incidents, be they incidental or deliberate, must never be allowed to happen again. This is because they are not humane and they are not in line with the fundamental interest of peace and stability to which people on both sides of the Strait aspire.

We hope the authorities in Taiwan will investigate the incident and tell the world what really happened. We hope the officers and men of Taiwan's garrison troops on the islands from now on will restrain themselves and make an effort not to kill innocent people indiscriminately. We also hope that you listeners and friends will pay attention to this matter and appeal to the relevant authorities to stop the recurrence of similar incidents and join us to safeguard peace and tranquility in the strait.

### Central Election Commission Reports Results

OW0312194489 Taipei CNA in English 1553 GMT  
3 Dec 89

[Text] Taipei, Dec.3 (CNA)—The ruling Kuomintang [KMT] retained its status as the majority party in Saturday's elections, winning 71.3 percent, or 72 of the 101 contested seats in the Legislative Yuan, while the opposition Democratic Progressive Party [DPP] scored 21 seats, or 20.8 percent and Independent eight seats or 7.9 percent, according to the latest statistics released by the Central Election Commission Sunday.

Of the 77 seats up for contest in the Taiwan Provincial Assembly, KMT took 54 or 70.1 percent. DPP won 16 seats or 20.8 percent, and Independent captured 7 others, or 9.1 percent.

In the elections for Taipei and Kaohsiung City Councils, KMT won 36 of the 51 contested seats in Taipei, and got 29 of the 41 seats in Kaohsiung. The opposition DPP won 14 and 8 seats respectively in Taipei and Kaohsiung. Independent won one seat and five seats in Taipei and Kaohsiung. Labor Party also managed to win one seat in Kaohsiung City Council.

Concerning race for magistrates and mayors, KMT took 14 seats, or 66.70 percent, while the DPP won 6 seats, accounting for 28.57 percent. Independent won one seat.

The newly-elected legislators will be sworn in on Feb 1, next year and magistrates and mayors and assembly members will assume their duty on Dec 20. Members of the Taipei and Kaohsiung City Councils will take office on Dec. 25, the commission said.

### Further on Election Results

OW0312124489 Taipei International Service  
in English 0200 GMT 3 Dec 89

[Text] Under warm and sunny skies, the nation's first election since martial law was lifted was held on Saturday. Polling places opened on schedule at 8 am and closed at 5 pm. Ballots had been counted throughout the evening, while several areas are still not reporting in.

Winners have already been declared in the vast majority of the races. While the ruling Kuomintang [KMT] has done very well according to the election results, however, the opposition Democratic Progressive Party [DPP] has done better than expected. [sentence as heard] The DPP has won five new county magistrate seats including the most fiercely fought battle in the election—the Taipei County Magistrate. The DPP's You Ching came out on top of that race over the KMT's Li Hsi-kun, winning the race by just under 4,000 votes out of 1.4 million ballots cast. In the closely watched Taipei City legislator races, the KMT won 8 of the 12 seats and the DPP won 4. Incumbent KMT lawmaker Chao Shao-kang was the top votegetter overall in the Taipei legislator race, winning nearly 140,000 votes. Two DPP candidates came second and third in the Taipei North District.

The Taipei District was divided into north and south, with each area selecting six legislators to sit in the Legislative Yuan. In the Taipei South District, KMT candidates placed first, second, third, and fourth, with two DPP candidates capturing the remaining two seats. One of the two DPP victors was Yeh Chu-lan, who is an independent activist whose husband burned himself to death in April rather than being arrested by police on charges of sedition. In the Kaohsiung City legislator races, two KMT candidates and two DPP candidates won the North District, and in the South District, two KMT candidates, one DPP candidate, and one independent won the four available seats. Kaohsiung County Magistrate incumbent Yu Chen Yueh-ying was elected overwhelmingly to serve another 3-year term. Kaohsiung City had a voter turnout of over 79 percent. As a sidenote of the Kaohsiung legislator races, stripper turned politician Hsu Hsiao-tan got 30,000 votes, but not enough to get her a seat. In the Kaohsiung City Council race, it was a hands down victory for the KMT, capturing 29 seats in comparison to only 8 for the DPP.

The ruling party has won four of the five mayoral campaigns, and Taiwan will have new KMT mayors in Taichung, Tainan, Hsinchu, and Keelung. An independent candidate has won in Chiayi. In the Taipei City Council races, the KMT has won 36 seats and the DPP 14, and 1 independent candidate has been elected. The KMT swept Chiayi, Hualien, and Taitung Counties along with Hsinchu City. The DPP is contesting the county magistrate races in Nantao and Taichung Counties, charging that there was fraud and that a recount should be conducted. Scuffles have broken out in those two areas over the issue.

Overall, in almost complete tabulation, it looks like the KMT has won over 60 percent of the vote, thus allowing them a large majority in all the central, county, and city parliamentary bodies. Voter turnout island-wide is estimated at roughly 70 percent. Be sure to stay tuned to the Voice of Free China, as we will update tallies and votes and the results of the races as we get them.

### Article Examines Deng's Taiwan Timetable

HK0112144289 Hong Kong CHENG MING in Chinese  
No 146, 1 Dec 89 pp 6-7

["Notes on a Northern Journey" by Lo Ping (5012 0393):  
"Timetable of the CPC To Solve Taiwan Problem"—  
first four paragraphs are CHENG MING introduction]

[Text] Deng Xiaoping said: We must never retreat while solving the problem of Hong Kong. He also issued the instruction to Jiang Zemin and Li Peng: You must find a way to solve the Taiwan issue in 5 years. While this problem is not solved, we cannot sleep peacefully.

In his speech contained in a document, Deng Xiaoping also stressed that the Central Advisory Commission must be abolished.

There was a serious dispute about personnel arrangements of the Military Commission in the highest leadership stratum of the CPC. Although the proposal on letting Li Peng take the post of first vice chairman of the Military Commission was negated, the power of the diehards in the Military Commission is still strong.

Deng set a timetable for solving the Taiwan issue in 5 years. This is connected with his desire to "live for many years more." He wants to close his eyes forever only after the "reunification with Taiwan" has been achieved.

#### **Using Both Soft and Hard Tactics To Solve Taiwan Problem**

Deng Xiaoping has finally retreated from his last position of power. However, people in Beijing generally believe that Deng has retired in name only. This is the view of the common people as well as senior cadres.

On 9 November, various organs, offices, and commissions under the CPC Central Committee began relaying the documents of the fifth plenary session. Apart from the reports and speeches of Jiang Zemin and Li Peng, these documents contain Deng's talk on personnel changes in the Military Commission and the retirement system. Deng's "other important speech" was relayed to a smaller circle.

This "important speech" concerns the issues of Taiwan and Hong Kong.

Before resigning from the chairmanship of the Military Commission, Deng Xiaoping delivered an "important speech" to members of the Political Bureau Standing Committee and main responsible persons of the Office of Taiwan Affairs and the United Front Work Department. The main points of the speech are: With regard to the issue of Hong Kong, we must not retreat. If we retreat, the problem will never come to an end. The settlement of the Taiwan issue must not be delayed indefinitely. The longer it is delayed, the heavier will the burden become! Now it is obvious that the Taiwan authorities will not talk with us calmly. We must adopt dual tactics (namely, peace talks and "liberation by force"). These two tactics are indispensable!

Deng Xiaoping also stressed: You must find a way to solve this problem in 5 years. If it remains unsolved, we cannot sleep peacefully.

#### **"Casting Off the Burden" in 5 Years and Stepping Up Infiltration in Taiwan**

Deng asked Jiang Zemin and Li Peng, who were present at the meeting: "What is to be done? Cast off the burden in 5 years."

Deng Xiaoping's remarks on Taiwan and Hong Kong have been regarded as important policy decisions on the issues of Hong Kong and Taiwan.

Insiders in Beijing hold the following view: The reason Deng has set the deadline of 5 years is connected with his

desire to "live for many years more." He wants to close his eyes forever only after the reunification with Taiwan is achieved.

Since the timetable has been set, it is certain that work for Taiwan will be strengthened. Apart from the tactic of united front work, stepping up infiltration in various aspects and subverting Taiwan from within is an important method.

#### **"You Must Not Look Down on Each Other," or "Dispute About Events in Beijing"**

Deng Xiaoping's speech, contained in a document relayed during the first half of September to central organs, was a speech he made on 4 September to the six members of the Standing Committee of the Political Bureau of the CPC Central Committee and Yang Shangkun and Wan Li. The main points of the speech are: *During the past few years, I have repeatedly mentioned the issue of retreating from the highest leadership stratum. At the fifth plenary session, I am determined to resign from the chairmanship of the Military Commission. It is better for me to retreat now while I am still alive, than at a time in the future when I die, or can no longer move. It is more beneficial to the party and the state. The fate of a country must not be attached to a certain individual forever. This is a dangerous matter. After I retire in the future, I will never bother about anything. Now I take part in physical training every day. I am preparing to live a life without bothering about anything. Of course, if you encounter difficulties and need my help, as a Communist Party member, I am still willing to help you do something.*

For a long period, I always considered to whom I must transfer the chairmanship of the Military Commission. Now it is obvious that it is better for me to transfer the post to the general secretary of the party. Comrade Jiang Zemin still lacks experience in taking the chairmanship of the Military Commission. We must let a veteran comrade assist him. We will let Comrade Shangkun take the post of first vice chairman, although he has misgivings in this matter. I think that it is necessary for him to do so.

We let Comrade Liu Huqing take the post of vice chairman of the Military Commission, because there are many comrades from the Fourth Front of the Red Army. Comrade Liu Huaqing was from the Fourth Front. If he stays in the Military Commission, he can unite with more comrades.

Members of the new leading body (referring to the Political Bureau Standing Committee) must unite, and must not look down on each other. They must give people an impression of stability. In the future, there must not be too many guardians for the leading body. Too many guardians is not beneficial to giving the leading body a free hand in its work. The Central Advisory Commission must be abolished. According to the original plan, it can only exist for two terms of office.



You must not dispute about the responsibility for recent events in Beijing. You must avoid disputation for 3 to 5 years. There are many things which cannot be clarified. On the contrary, it will create chaos within our ranks. At present what China needs is stability. We must promote our economy. Without the stability of 3 to 5 years, it will be harmful to the state.

#### **Li Peng's Plan To Seize Power Fell Through**

There was fierce debate at the highest level of the CPC concerning the personnel shuffle in the Military Commission. One personnel program tabled at the enlarged meeting of the Central Military Commission was as follows:

Jiang Zemin assumes the Military Commission chairmanship.

Li Peng to be first vice chairman, and Yang Shangkun to resign the Military Commission vice chairmanship.

Yang Shangkun to also resign as secretary general, and Yang Baibing to succeed him in the post.

Liu Huaqing to be promoted to vice chairman.

Hong Xuezhi resigns as deputy secretary-general and from his office in the Military Commission.

Qin Jiwei resigns from his office in the Military Commission and as minister of national defense, and Zhang Zhen, commandant of the National Defense University, to succeed him.

Chi Haotian resigns as chief of general staff, and Deng's military secretary (a lieutenant general by the surname of Wang) to succeed him in the post.

Yang Baibing to resign the directorship of the General Political Department, which will be taken up by Chi Haotian.

The program was not accepted in total at the enlarged meeting of the Central Military Commission. Some suggestions in it were adopted. One of the important characteristics of it was that Li Peng would seize the military power and the hardline faction (the "cracking-down faction") would rise abruptly in power. Later, the

program in which Li Peng was to be first vice chairman was rejected, though the hardline faction still wields considerable power in the Military Commission. Some people say that the major part of this program (that is, Li Peng taking up the first vice chairmanship) may be adopted in the future. This is bad news, although the assumption of the first vice chairmanship by Yang Shangkun is not good news in itself.

But some people have also raised doubts: Can Li Peng hold on sufficiently long?

#### **Central Bank To Support Industrial Upgrade**

*OW2611022689 Taipei CNA in English 1420 GMT  
25 Nov 89*

[Text] Taipei, Nov. 25 (CNA)—The Central Bank of China plans to take a more dynamic approach in using the Republic of China's huge foreign exchange reserves to help upgrade local industries.

Samuel Shieh, governor of the Central Bank, said Saturday that his bank had discussed with major local banks the possibility of helping private companies in Taiwan to obtain financing for their overseas projects or to expand their international marketing networks.

Private firms will go to local banks or their overseas branches for the loans. If these banks do not have the capital to bankroll the loan projects, the central bank will step in and accommodate the banks with funds from the nation's foreign exchange reserves, Shieh said.

As Taiwan is short of natural resources, the Central Bank will encourage local manufacturers to invest in overseas projects related to the development of natural resources, such as petroleum and coal in Canada, and timber in Indonesia.

The bank will also provide loans to local manufacturers seeking high technology transfers or to purchase high-tech companies in advanced countries.

Other investment projects that may apply for Central Bank financing include purchases of overseas sales networks and investment in modern management techniques, Shieh said.

## Hong Kong

### Financial Secretary Halves GDP Growth Forecast

HK2411022589 Hong Kong HONGKONG STANDARD  
(BUSINESS STANDARD) in English 24 Nov 89 p 1

[By Brian Power]

[Text] Financial Secretary Sir Piers Jacobs last night forecast a drastic drop in the growth of Hong Kong's Gross Domestic Product for 1989.

Sir Piers put GDP growth at 3 percent, just half of the 6 percent growth rate the Government had been expecting before the June 4 violence in Beijing.

"The growth rate of our economy has now slowed down markedly," said Sir Piers. "Both the external sector and domestic demand have suffered to some extent."

The financial secretary declined to elaborate on the GDP projections, saying the Government would outline the reasons today.

"The main point to remember is that we have been forecasting a slow down in the economy for some time, and our present economic performance should be seen in this context," he said.

The growth had slowed both because of constraints on capacity and a slackening of demand in both the external and domestic markets.

Referring to the current austerity programme in China, he predicted the "process of consolidation" now underway may take another two or three years to complete.

Sir Piers also termed inflation "higher than we would have liked, but in Hong Kong inflation is part of the adjustment process in our economy."

Speaking before the Hong Kong Society of Accountants, the financial secretary gave a mostly upbeat speech, saying the territory had developed far greater strength and depth in recent years. It was now more firmly woven into the fabric of international business and world trade, he said. Sir Piers focused on the structural changes and economic opportunities that lay ahead for the Hong Kong economy.

He noted the rapid transformation towards trading and services, although the manufacturing industry and its 800,000 employees remained a sector of considerable importance.

Noting the rapid development in economic relations between Hong Kong and China, Sir Piers pointed to the territory's susceptibility to the changes north of the border.

Over the long term, the financial secretary felt confident in the relationship, adding "the good sense of many people would ultimately prevail."

Apart from the remarkable growth in Hong Kong's re-export trade relating to China and other economies in Asia, which were highly beneficial to visible trade, Sir Piers pointed to the rapid growth in invisible trade.

Part of it was related to merchandise trade, he said, citing Hong Kong's busy container port and rapid growth in civil aviation.

He said labour productivity had been rising rapidly, boosted by the high rate of investment in manufacturing machinery and equipment over the past few years.

While expecting the transformation from manufacturing to services to continue, Sir Piers said past pressures on Hong Kong had done much to induce manufacturers to look to China and other areas to diversify their manufacturing operations.

"We now see investment taking place in Malaysia and Thailand and other places in the region. As a result of these developments, Hong Kong will become increasingly geared towards the service components of the manufacturing operation."

"Put simply, Hong Kong is the base of an extended production network. In trading and services, the continuous upgrading of operations through more widespread office automation and use of computers and better management methods had enabled the companies concerned to keep abreast of the competition."

### Article Views Negotiations Over Vietnamese

HK2811025789 Hong Kong SOUTH CHINA  
MORNING POST in English 28 Nov 89 pp 1, 6

[By Simon Macklin and David Wallen in London]

[Text] The non-voluntary return of Vietnamese from Hong Kong was likely to be linked to a cash payment of about U.S.\$620 (HK\$4,836) for each person and was dependent on the establishment of a monitoring system to ensure the process proceeded in a humanitarian way, British officials close to the negotiations said yesterday [27 November].

Work had already begun to establish facilities for the reception of boat people sent back from Hong Kong, but it was not clear when an agreement would be reached or when it would become "operative", one British official in Hanoi said.

It is understood payments to the Vietnamese authorities will be borne by both the Hong Kong and British taxpayers, though it had not yet been decided how the split will be worked out.

It was hoped an agreement could soon be reached which would provide for a small payment to the Vietnamese authorities to help resettle the boat people in their own communities.

Foreign Office officials have said the exact sum is likely to be similar to the amount paid by the United Nations High Commissioner for Refugees (UNHCR) to help the re-integration of boat people who return to Vietnam voluntarily.

The UNHCR gives boat people about U.S.\$150 (HK\$1,170) a quarter for at least a year.

The accumulated cost of voluntary repatriation, therefore, is estimated at about U.S.\$1,000 (HK\$7,800) for each person, including transportation and the cash provided to those returning for the purchase of tools or other implements so they can earn a living.

Discounting transport costs the re-integration is estimated at about U.S.\$600 (HK\$4,680) per person, though the figure varies from case to case.

If this figure were applied to all 44,217 boat people presently in Hong Kong and ineligible for automatic resettlement, the total cost to the British and Hong Kong governments of returning them would be more than \$213 million.

However, observers point out many of these boat people are likely to volunteer to return, in which case the UNHCR would bear the cost under existing arrangements.

Still others are likely to be screened in as refugees, in which case they are guaranteed a resettlement place overseas at the cost of the host government.

Hong Kong voted \$1 million in January this year towards the re-integration of boat people who returned voluntarily under the scheme administered by the UNHCR.

Britain donated \$975,000 to the same fund.

Foreign Office officials stressed yesterday it was too early to give a precise figure on the cost of implementing the non-voluntary scheme.

"It's such a complicated package it's hard to put an exact figure," one official in London said.

The payment would not be made on a per-head basis but was likely to be worked out as a lump sum if the existing understanding between the two sides did lead to an agreement.

It was also too early to give a "sensible estimate" as to when an agreement could be finalised, but progress was being made towards completion.

Vietnamese officials had already begun looking at a number of sites which could be used to hold the boat people when they arrived back in Vietnam and before they were sent back to their homes.

An agricultural college close to the Bo Noi airport in Hanoi, which was already used for the reception of those returning voluntarily, was among the sites under consideration, the official in Hanoi said.

It was likely an agreement would spell out the details of what would be called the "Orderly Return Program" which would allow Hong Kong to send back those boat people who had been screened out as non-refugees.

"All parties are trying to find a way of making progress on those screened out," the official said.

But it had not yet been decided how the non-voluntary repatriation process could be monitored to ensure those coming home were treated humanely, the official said.

It is understood consideration is being given to inviting a British-based charity group or Western diplomats in Hanoi to monitor the return in order to ensure objective judgement.

The process could not go ahead until it had been decided who would conduct the monitoring process, he said.

**Sacked WEN WEI PO Chief Heads New Magazine**  
*HK2511053789 Hong Kong HONGKONG STANDARD in English 25 Nov 89 p 3*

[Text] XINHUA NEWS AGENCY is moving to tighten its control over left-wing Hong Kong organisations which opposed the crushing of the pro-democracy movement in June.

The moves include special classes for senior leaders of China-funded organisations in the territory, according to the first issue of CONTEMPORARY, a new political magazine published by a group of 14 former employees of the pro-Beijing WEN WEI PO.

Director of the new magazine is Mr Lee Tse-chung, former director of the WEN WEI PO, who was sacked by XINHUA in July over his stance on the pro-democracy movement.

Mr Lee had been a loyal supporter of the Beijing Government for 40 years and is still a Hong Kong member of the Chinese People's Political Consultative Conference Standing Committee.

In a special report, CONTEMPORARY said the special classes for left-wing leaders were held on the mainland as well as Hong Kong.

"Normally the classes last for one week to 10 days," it said.

"Some Hong Kong left-wing leaders who had openly supported the student movement between May and June were asked to conduct self-criticism during these classes."

It said a special class was held in Guangzhou on November 20 for left-wing publication groups.

The magazine also reported XINHUA's instructions to one local China-funded organisation.

"XINHUA told a woman leader of the Joint Publishing (HK) Co Ltd, the largest left-wing publication company



in Hong Kong, that the 'one country, two systems' policy did not apply to China-funded organisations in Hong Kong," CONTEMPORARY said.

"She was told that Joint Publishing was a state enterprise in Hong Kong, so all the national orders from the mainland should be executed by the company.

"The woman was also ordered not to meet members of the outlawed Federation for a Democratic China during a business trip in Paris last month."

Beijing had ordered all left-wing bookstores and publishing houses in Hong Kong not to publish or distribute books related to the June 4 incident and carrying anti-Beijing articles, it said.

The magazine said a special meeting was held in Beijing in mid-June to discuss the unprecedented anti-Beijing sentiment of Hong Kong people.

It said the meeting was chaired by Mr Ji Pengfei, director of the Hong Kong and Macao Affairs Office under the State Council, and was attended by Mr Xu Jiatun.

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